

150 من الأصل

Iraqi Envoys Defect and Will Fight Saddam

By Eugene Robinson
Washington Post Service

LONDON — Two Iraqi ambassadors defected and sought asylum in Britain on Tuesday, pledging to fight for the downfall of Saddam Hussein, the Iraqi leader, and what they called his "reign of terror and misery."

Hamed Jubouri, 61, who retired last week as Iraq's ambassador to Tunisia, and Hisham Shawi, 62, until Monday the Iraqi ambassador to Canada, said they had decided the time had come for open opposition to the regime.

Mr. Shawi said Mr. Saddam's government had "no other objective but the maintenance of its tyrannical power, notwithstanding defeat, disgrace and total ruin."

Mr. Jubouri said that as many as seven upper-echelon Iraqi diplomats had quietly defected from Mr. Saddam's government.

The two diplomats have not yet applied for permanent asylum in Britain. The British government, which seemed to be taken by surprise by the defections, said they had entered the country as visitors and would be allowed to remain for the time being.

According to Reuters, the Iraqi Embassy in Amman reacted by saying that Mr. Jubouri and Mr. Shawi left the foreign service last month after reaching retirement age. "They have left their positions after the end of their service," an embassy statement said.

The two ambassadors appeared at a news

conference called by the Iraqi National Congress, one of several exile opposition groups seeking the overthrow of Mr. Saddam.

The diplomats were bitterly critical of Mr. Saddam, describing themselves as patriots who decided there was no longer any point in trying to change the system from the inside.

Mr. Shawi said he had opposed the "disastrous aggression against Kuwait," but had stayed at his post because he believed "the very existence of Iraq" was threatened. He said that he had entertained the "foggy dream" that after the Gulf War the regime would begin to change, but that the dream "was soon dispelled."

"It is the law of the jungle, where whim and avarice have become the law," Mr.

Shawi said of life in Iraq, although he acknowledged that he had not visited his homeland in three years. "Political, social and cultural institutions are either paralyzed or abolished, and the state has become a vast police network with no other task but to ensure the security of the ruling clique and keep it in power."

Mr. Jubouri said Mr. Saddam's regime "was not satisfied with its continuous terror campaign and its practice of annihilation against the Iraqi people."

"No," he said, "it dragged Iraq into two destructive wars, the consequences of which it did not anticipate."

"In recent times," he said, "it destroyed a once strong and prosperous country."

Airdrops Of Food Begin for Mostar

Compiled by Our Staff From Dispatches
SARAJEVO, Bosnia-Herzegovina — The U.S. Air Force on Tuesday started the first airdrops of food to Mostar, the Bosnian city threatened with starvation, according to United Nations sources.

The reports came as a UN truck convoy to aid the tens of thousands of Muslims in Mostar was held up by Croats making new demands for concessions.

"I am of the opinion that we are being played with," said Lyndall Sachs, a UN spokeswoman in Sarajevo. "The Bosnian Croats are leading us on a merry dance."

Bosnian Croat gunners pounded Mostar's Muslim quarter on Tuesday. Six people had been killed and at least 12 seriously wounded by mid-afternoon.

Petty Officer Kelly Williamson, a spokesman for the relief mission at the air force's Rhein-Main base outside Frankfurt, said earlier that two air force C-130s would drop about 25 tons of meal packets over Mostar in its first run, adding that Mostar had been targeted by UN officials as the "No. 1 priority."

Despite initial criticism and skepticism of their effectiveness, the airdrops have become a vital food source for Bosnians. The operation has dropped more than 7,444 tons of goods and 144 tons of medical supplies.

About 35,000 Muslims have been under siege in the eastern part of Mostar for weeks. Several thousand more Muslims live in the western section of Mostar, which was controlled entirely by Croats until the Muslims established a bridgehead there last month.

Cedric Thornberry, the senior civilian UN official in the former Yugoslavia, said Bosnian Croats who had initially agreed to unimpeded access to Mostar for the UN convoy now were demanding that Muslim forces hand over the bodies of fallen Croatian soldiers.

Later, Muslim and Croatian commanders agreed to an exchange of bodies, perhaps clearing the way for the convoy to enter the Muslim part of the city Wednesday.

UN peacekeepers who reached the Muslim area Saturday said that residents were on the verge of starvation and that hospital conditions were desperate.

They said that some operations were being performed without anesthesia, that more than two-thirds of the residents had been displaced and that 60 percent of the buildings were uninhabitable.

Meanwhile, the provisional parliament of Bosnia's rebel Croats will convene Saturday to vote on the tentative Geneva peace plan for the former Yugoslav republic, the Croatian political leader, Mate Boban, said Tuesday.

The Croatian vote would come a day after balloting in the rump parliament of Muslim-led Bosnia and in the rebel Serb self-proclaimed assembly on the plan to split the republic into three ethnic states linked by a confederation.

In a declaration, the Boban-led wing of Croatia's governing party rejected the European Community protectorate status for Mostar envisioned by the Geneva plan. But Mr. Boban watered down that hard-line stance by saying he would accept a two-year EC mandate in Mostar if there were guarantees that it subsequently become the Croatian capital. (AP, Reuters)

WORLD BRIEFS

Nigerian General to Give Up Rule

LAGOS (AP) — General Ibrahim Babangida, the military ruler of Nigeria, will turn over power to a civilian successor on Thursday, the state radio said Tuesday.

The general is to replace his eight-year rule with an interim government that many believe will perpetuate the military's grip on power. The government is to take over in the place of the winner of a June 12 election that General Babangida orchestrated and then annulled on the ground it had been rigged.

He initially promised an all-civilian interim government, but now it is to be led by five soldiers and eight civilians who will continue to rule by military decree until an elected president takes over in December 1994.

New Hostages Are Taken in Managua

MANAGUA (AP) — Leftist gunmen holding about 30 conservative politicians and journalists captive took Agence France-Presse and Reuters photographers and an NBC camera operator hostage Tuesday, the journalists said in a telephone interview.

At the same time, army troops began pulling back from the northern Nicaraguan region where negotiations were set to open with rightist rebels on the release of their 16 hostages. A negotiating team led by Cardinal Miguel Obando y Bravo arrived in Quilichí for the talks.

The withdrawal of the troops from the Quilichí region was among the conditions for discussions set by the former contra group that seized members of a government delegation last week. The pro-Sandinista gunmen in Managua seized their hostages in retaliation for the first abduction.

North Korean Defector Cites Unrest

SEOUL (Combined Dispatches) — A North Korean defector, describing growing unrest in the hard-line Communist state, said Tuesday that 10 generals had been executed for a coup attempt, that food shortages had worsened and that a dissident movement had been crushed.

The defector, Im Young Sun, 30, who identified himself as a lieutenant in the North Korean Army, also said military colleagues reported that hundreds of people were killed in an accident while trying to hide a nuclear reactor from international inspectors. He said underground nuclear tests were being conducted at a nuclear complex at Yongbyon, 100 kilometers (60 miles) north of Pyongyang, the capital.

None of Mr. Im's reports could be confirmed. In Vienna, a spokesman for the International Atomic Energy Agency said the agency had no information on a nuclear accident as described by the defector, and said that such an incident was "extremely unlikely." (AP, AFP)

Curb Voted on Asylum in Portugal

LISBON (AP) — The parliament passed a law Tuesday tightening rules for foreigners seeking political asylum.

President Mário Soares vetoed the bill earlier this month in its original decree version, contending that it contravened the basic human rights of those seeking asylum from oppressive regimes. Now he has the choice of accepting the legislature's decision or sending the law to the Constitutional Court for a ruling.

The law which alters the status of political refugees in Portugal or the definition of political asylum, proposes an end to asylum for humanitarian reasons. It also abolishes the state of any financial responsibility for refugees while their cases are being processed.

Ex-Communist Faces Italian Inquiry

MILAN (Reuters) — Italy's former Communist, until now relatively unscathed by the country's sweeping corruption scandal, faces more deeply embroiled Tuesday when the party's treasurer came under investigation. Marcello Stefanini was named as being investigated over alleged kickbacks paid by a building company, the news agency ANSA said.

Mr. Stefanini, a senator in the upper house of parliament, is one of the most senior officials in the Democratic Party of the Left, the new name of the party, to be caught up in the investigation into illegal financing of political parties.

Achille Occhetto, the party leader, is the only head of a major party to have kept his post since the 18-month-old scandal erupted. More than 20 percent of Italian members of parliament and four former prime ministers are under investigation.

Turkey Expels 3 Swiss Diplomats

ANKARA (Reuters) — Turkey ordered the Swiss ambassador, Paul André Ramerayer, and two other diplomats to leave Turkey within a week on Tuesday, and said its envoy to Bern, now in Turkey but wanted by the Swiss for questioning in the killing of a Kurdish demonstrator, would not return to his post.

The Turkish envoy, Kaya Toperci, has been at the center of a diplomatic feud since a Kurdish demonstrator was killed by a ricocheting bullet during a protest outside the Turkish Embassy in Bern on June 24.

Mr. Toperci has said that he ordered embassy staff to fire into the air to prevent the demonstrators, militants of the Kurdistan Workers Party, from storming the embassy. Witnesses say the embassy staff fired at the legs of the demonstrators.

For the Record

Suspected Muslim militants shot and killed a Christian student as he walked through his home town, Anboub, in southern Egypt, security sources said Tuesday. The 20-year-old victim, Khaled Yahya Theophilos, had been under guard for two months since being interviewed by Cairo police about a bomb blast there linked to the militants. (Reuters)

The Israeli Supreme Court rejected a new petition Tuesday demanding that John Demjanjuk, acquitted of being the Nazi camp guard known as "Ivan the Terrible," be investigated for other war crimes. (Reuters)

Thousands marched on the U.S. Embassy in Washington on Tuesday to shout slogans and wave signs in protest over Washington's decision to place Sudan on a list of countries it says support terrorism. (Reuters)

Berlin Wall Is Gone, but a Museum Remembers

New York Times Service

BERLIN — For decades, Rainer Hildebrandt was one of Germany's "outsiders," denounced on both sides of the Berlin Wall.

The East German government condemned him as a "criminal provocateur," and politicians in his native West Germany dismissed him as a naive meddler. At various times, authorities on both sides issued warrants for his arrest.

Now that the wall is gone, Germans are beginning to laud Mr. Hildebrandt as one of this country's most determined human rights advocates. Long a legend among East European dissidents, he is finally being honored in his own country.

This month marks both the 20th anniversary of the Berlin Wall and the 30th anniversary of the museum founded by Mr. Hildebrandt to chronicle its history.

"Rainer Hildebrandt is an idealist, shaped by the examples of Mahatma Gandhi, Martin Luther King and Andrei D. Sakharov, and his museum has become his life's work," the newspaper Wochenpost said.

"The man who for decades monitored the East German regime and publicized the monstrosities it committed with land mines, barbed wire, attack dogs and self-shooting devices, now invites his former enemies to coffee and cake at the museum, telling them, 'You have to present yourself to your victims!'"

Since the collapse of East Germany, Mr. Hildebrandt has made special efforts to reach out to spies and informers who worked for the East German secret police, known as the Stasi. At a small auditorium on the museum's second floor, he has arranged gatherings between Stasi operatives and their victims. The encounters have led to angry accusations and tearful confessions, and in some cases have turned into shouting matches.

"There were 105,000 Stasi employees and more than 200,000 part-time informers," Mr. Hildebrandt, 78, said recently in the museum cafeteria. "We have to live together with these people now. If no bridge is built between them and their victims, that lays the basis for hatred and for more injustice in the future."

Unlike Gandhi, King or Sakharov, Mr. Hildebrandt never led a mass movement or inspired millions of people. But during the Cold War he was one of a small number



Rainer Hildebrandt, a dissident idealist, keeping an eye on his museum.

of human rights workers in Western Europe who fed news and encouragement to dissidents behind the Iron Curtain. Sometimes at the edge of the law, he became a conduit for messages between dissidents and their supporters.

Mr. Hildebrandt survived World War II partly by managing to have his mother, who was Jewish, listed as half-Jewish. This qualified him as three-quarters Aryan.

Several of Mr. Hildebrandt's closest friends were executed by the Nazis, and he was arrested after criticizing the Nazis. He was convicted of "undermining the war effort" and spent 17 months in jail. These experiences, he says, along with a nagging sense of guilt that he had not done more to oppose the Nazis, led him to devote his life to the cause of individual freedom.

In 1948, Mr. Hildebrandt founded his

first human rights group, Struggle Against Inhumanity, which sought to defend the rights of political prisoners in what was then the Soviet occupation zone in East Germany. When the Berlin Wall went up in 1961, he began quasi-legal work helping East Germans escape to the West.

Two years later, he opened a modest display of documents and photos in an apartment on Bernauer Strasse, the scene of several harrowing escape attempts. The makeshift museum later moved to larger quarters adjacent toCheckpoint Charlie, the tense border crossing between East and West. It came to house a collection that documents the lengths to which some East Germans went to flee their homeland.

Among the exhibits were cars with secret compartments, suitcases into which

refugees crammed themselves, hollowed-out surfboards and homemade boats and aircraft. Also on display was one of the "self-shooting" devices that East German officials installed along the "death strip" separating their country from the West.

The devices were designed to shoot in all directions when sensors detected movement nearby.

Reflecting the range of Mr. Hildebrandt's interests, the museum is a monument to campaigns around the world, including Gandhi's marches in India, bus boycotts by blacks in the U.S. South and the Polish Solidarity movement.

Grateful for Mr. Hildebrandt's years of support, leaders of some of these campaigns have donated artifacts and souvenirs. One recent addition is a Russian flag that was carried through the streets of Moscow in August 1991 by citizens protesting the attempt to overthrow President Mikhail S. Gorbachev.

Since communism collapsed in the Soviet bloc in 1989 and two years later in the Soviet Union itself, people have flocked to the museum and Mr. Hildebrandt's home.

Several thousand paying customers visit the museum every day during the warm months, but the number declines to hundreds in winter. Unlike many other museums in Germany, it receives very limited government help. Mr. Hildebrandt is not sure it can survive for another year.

Rainer Klemke, spokesman for the Berlin Culture Ministry, said the city was cutting back on arts subsidies and could not increase its support for the Checkpoint Charlie Museum.

"The museum is in financial trouble mainly because the number of visitors has fallen sharply since the wall came down," Mr. Klemke said. "The museum stands and falls with Hildebrandt. He is a kind of institution in Berlin or, to put it negatively, a fossil of the Cold War."

Many disagree, noting that after campaigning for decades against repression in Communist countries, Mr. Hildebrandt now criticizes the abuses of post-Communist governments in some of the same lands.

"For me, Hildebrandt represents a whole range of qualities that are much too rare in this country," said Wolfgang Tempel, a dissident to East German communism.

—STEPHEN KINZER

Mud Poses a Weighty Problem for U-Boat Salvage Team

COPENHAGEN — Salvage experts hit a snag on Tuesday in their attempt to lift a World War II German U-boat out of the water after a

successful operation to raise it from the seabed off the Danish coast.

The opening of the vessel, rumored to be carrying Nazi secrets or treasure, was delayed while the

salvage workers tried to reduce its weight.

Per Kluever, a researcher with the operation, said, "The first attempt by two cranes to lift the U-boat up onto a submarine barge this morning failed as mud and clay between the inner and outer hulls made it too heavy."

"The clay increased the submarine's weight to around 1,600 tons from its actual 1,440-ton weight," he said, "so we winched the vessel into the sea to flush out the clay."

He said the submarine was now back on the surface, about 20 kilometers (13 miles) northeast of the Danish island of Anholt in the Kattegat waterway at the mouth of the Baltic.

He said the submarine's hatches had been opened to allow workers to pump diesel oil out of the vessel.

"After the Danish coast guards have been in and checked the submarine," he said, "Dutch naval salvage experts can go in and locate and remove the torpedoes and ammunition believed to be on board."

After an initial investigation of the opened submarine, it will be transported on the barge to the North Sea port of Hirtshals, where workers will begin emptying it of its contents.

A Danish-Dutch consortium

brought the submarine to the surface on Monday morning. The U-534 was sunk by a British bomber on May 5, 1945, in one of the final actions of the war and after the submarine had slipped out of the German port of Kiel to try to escape from advancing Allied forces.

Rumors of treasures aboard the vessel arose because it was of a type designed for long transoceanic hauls and belonged to the German 33d Flotilla, whose main task was to transport valuable cargo to Germany's ally, Japan.

Survivors of the sinking, however, have expressed doubts about finding any major treasure.

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SPORT

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UNITED KINGDOM: MAPPIN & WEBB, LONDON
SAUDI ARABIA: AL-GHAZALI, RYADH
JAPAN: KANAYAMA, TOKYO
SINGAPORE: BOUTIQUE EBEL, RAFFLES HOTEL
TAIWAN: BOUTIQUE EBEL, REGENT GALLERIA, TAIPEI
USA: TOURNEAU, NEW YORK

AMERICAN TOPICS

Lincoln's Laundress Loses a Big Publisher

William Morrow & Co. has decided not to proceed with the purported memoirs of Abraham and Mary Todd Lincoln's laundress. "We were uncomfortable," a spokeswoman said, "about its authenticity and its accuracy."

Long known to Lincoln scholars, the memoirs recount the experiences of Mariah Vance, who worked for the Lincolns in Springfield, Illinois, during the 1850s. She recounts fights, hysteria and jealousy.

No surprises there, although scholars question the veracity of some anecdotes. The question is: How much of her colorful stories can be believed? Mariah Vance, the semi-literate wife of a fugitive slave, told them to a woman named Adah Sutton, for whom she worked as a laundress between 1900 and her death four years later. Adah Sutton took notes of their conversations, but didn't write them up until decades later. She sold the manuscript to Lloyd Ostendorf, a Lincoln buff who did a respected volume titled "Lincoln in Photographs."

"It relies on recollections 40 years after the fact that weren't turned into actual narrative for 40 years after that, and that were rewritten one more time 20 years after that," said Harold Holzer, a historian.

That, apparently, was also the collective judgment of the five historians to whom Morrow submitted the manuscript. Mr. Ostendorf and his partner, Walter Oleksy, a writer, said they would keep trying to sell it.

Short Takes

Mae West, whose effervescent mix of sex and humor sparked on stage and screen for more half a century, was born in Brooklyn 100 years ago. Her centenary has brought forth retrospective newspaper articles and reprises of some of her best work, such as:

When a woman goes wrong, men go right after her.

When I'm good I'm very good, but when I'm bad I'm better.

It's not the men in my life that count. It's the life in my men.

(To suitor who says, "If only I could trust you.") You can — hundreds have.

Marriage is a great institution, but I'm not ready for an institution.

I wrote the story myself. It's about a girl who lost her reputation and never missed it.

Between two evils I always pick the one I haven't tried before.

Arthur Higbee

At the turn of the century, summer camps were for entire families. After World War I, they evolved into separate camps for boys and girls, while the parents stayed home. Now, however, family camps are back. Hundreds are listed by the American Camp Association, compared with almost none 10 years ago. "Today, a lot of overworked parents worry that they do not see enough of their children," the Washington Post says. "Others find the new option a cheap alternative to a resort. And still more are nostalgic baby boomers grasping at the chance to relive some of the best summer days of their lives."

Or as Richard Bentley, who teaches American literature at the University of Massachusetts, joked: "Look at all these facilities. It's a shame to waste it on the young."

TRAVEL UPDATE

Air France will have separate smoking cabins on flights to Japan and South Korea starting Oct. 28, the carrier said Tuesday. The economy class section will be separated from the nonsmoking sections by galleys and curtains and will seat 90. (AFP)

South African Airways will offer more flights to Tel Aviv starting Sept. 5, and to Lisbon starting Sept. 8. The flights to Tel Aviv will leave Johannesburg's Jan Smuts Airport at 10 A.M. Sundays and Tuesdays, and a flight to Lisbon will leave at 10 A.M. Wednesdays. SAA already has a weekly flight to each destination. (AFP)

A federal judge in Washington barred the United Transportation Union on Tuesday from waging a strike against the U.S. Amtrak railroad system over a dispute about who operates trains at maintenance yards. (AP)

Britons were warned to stay away from Eastern Turkey after Kurdish rebels kidnaping of two British tourists. The two were freed earlier this week after Turkish troops opened fire on their abductors. (Reuters)

Seawage in the Jordan River has raised bacteria levels to two and a half times the allowed maximum for safe swimming, Israel's Nature Reserve Authority said Tuesday. The pollution was found where the Jordan flows into the Sea of Galilee and traced upstream northward to the Hula Valley. Tests are being made to see whether swimming should be banned. (AFP)

A severe thunderstorm in Catalonia on Tuesday knocked out electricity to Barcelona and the majority of the region for several hours, including the cities of Tarragona and Lleida, causing rail service and disrupting traffic. The blackout began when the storm downed a 400,000-kilowatt power line, causing a chain reaction of outages. Backup generators kept the Barcelona airport in operation. (AP)

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STATESIDE / RUNAWAY EXPENSES

Passengers May Be in the Dark on Airport Tax, but Airlines Are Squawking

By Edwin McDowell
New York Times Service

NEW YORK — A tax imposed at a growing number of airports across the United States for such projects as noise abatement, security and now or improved runways and terminals is inspiring a revolt — not among the passengers who pay the tax, but among the airlines that collect it.

In the next fiscal year, the tax is expected to yield almost \$800 million.

"These funds are critical to the future of our airports and the national air transportation system," George Doughty, chairman of the Airports Council International-North America, a trade group of airport executives, recently told the House subcommittee on investigations and oversight.

Airlines disagree, saying that the rate of increase of airport-related costs has far exceeded rises in their other costs. One airline executive complained that the airports were displaying a "Taj Mahal complex."

James E. Landry, president of the Air Transport Association of America, the carriers' trade association, criticized what he called the "Field of Dreams" argument: If an expansion project

is built, "the airlines will flock to the airport." Northwest Airlines, contending that the FAA had acted arbitrarily in approving the tax at many airports, sued the agency last month in the U.S. Circuit Court of Appeals in Washington. The agency denied the charge, and arguments are scheduled on Oct. 8.

Although no airport can charge more than \$3 a flight, the airport tax can amount to as much as \$12 on round-trip flights that involve a stop or change of planes en route. For example, passengers flying from New York to Los Angeles (both of which charge the tax) could save \$6 by booking their round-trip flights on an airline that stops at Cincinnati or Dallas, which do not impose the tax, rather than at Minneapolis or Detroit, which do.

Therefore Northwest Airlines — which has

hubs at Minneapolis-St. Paul, Detroit and Memphis, where the charge is imposed — pays it, rather than passing it on to passengers and risking being at a competitive disadvantage on routes where its rivals have hubs that do not impose the tax.

That is an expensive choice. "Having to absorb that tax costs us \$20 million to \$25 million a year," said Elliot Seiden, vice president of government affairs for Northwest.

Consequently, Northwest — which lost more than \$1 billion last year and just recently averted bankruptcy — has asked the FAA to impose the tax only on passengers departing from or arriving at their final destination, not on those connecting to other flights.

"It still doesn't take care of the revenue

drawn," said Mark Abels, a Northwest vice president. "But at least in competing markets we would not be at a competitive disadvantage."

Earlene Causey, president of the American Society of Travel Agents, in Alexandria, Virginia, said: "There have been few complaints, but only because Congress did such a clever job of lumping that tax in with all the others that passengers don't even know about it."

Mr. Landry said the tax was a way of "obtaining funding from a voiceless constituency," then transforming it into "a general public works scheme."

So far, the agency has approved more than 1,000 projects worth more than \$7.3 billion, and rejected \$2 million worth. Applications totaling \$6.3 billion were withdrawn.

Approvals range from a one-year tax to raise \$55,500 for improvements at the airport at Morgantown, West Virginia, to \$2.3 billion in taxes over 34 years for Denver's new airport, which is to open this autumn.

The city of Flint, Michigan, plans to raise \$32.3 million over 37 years for a variety of projects.

In July 1992, New York City's three major airports were authorized to collect a total of \$282 million with a three-year tax. Of that, \$21 million is to study the feasibility of collecting \$2 billion or so to link the passenger terminals and parking lots at Newark and Kennedy airports, and to build mass-transit systems connecting Kennedy and La Guardia with the subways and the Long Island Rail Road in Queens, and Newark airport with mass transit in Newark.

POLITICAL NOTES

2 Old Friends, One Island, but No Social Calls

OAK BLUFFS, Massachusetts — The last time Bill Clinton was on Martha's Vineyard it was to attend the wedding of a Yale Law School classmate, Lani Guinier. That was seven years ago, when he was the governor of Arkansas. Now he is here again, and she is here with her family, as she is every summer.

This time the two have not seen each other. Reporters have been asking Ms. Guinier whether the president had called, or whether she had been included in the social whirl around Mr. Clinton and her other law school classmate, Hillary Rodham Clinton. He has not called, and Ms. Guinier has not been invited to anything, not even to Saturday night's party at Sheldon and Lucy Hackney's house. Mr. Hackney, who was recently confirmed to head the National Endowment for the Arts, was the president of the University of Pennsylvania, where Ms. Guinier, his friend, is a law professor.

Ms. Guinier said she had not spoken to the president since June 4, when he telephoned to tell her that he was withdrawing her nomination as assistant attorney general for human rights after her ideas on blacks and political power provoked widespread criticism.

"I'm not bitter," Ms. Guinier said, talking on the terrace of her mother's home in East Chop, a peninsula on the other side of the island from where the president is staying. "I'm not in hiding. I don't want to be seen as a victim."

Asked about the president's friendship with Ms. Guinier, Mr. Clinton's spokeswoman, Dee Dee Myers, said, "He made clear during that incident that she is someone whom he clearly respects and cares a great deal about and has always considered a friend."

Ms. Guinier declined to talk about the president's social calendar. "I would rather talk about my ideas for empowering all voters to build cross-racial coalitions," she said.

Her 6-year-old son, Nikolas, shows less equanimity.

After tennis the other day, Nikolas and his father, Nolan Bowie, wandered near the 14th hole of the Farm Neck Golf Club, where the president was teeing off. A crowd had gathered. Nikolas said he had prepared a short speech for just such an occasion.

"I was going to say, 'Why did you dump Lani Guinier?'" he shouted. "She's my mother!"

But the little boy decided it was best to keep quiet. "I was afraid the Secret Service would arrest me," he said. (NYT)

Panel's Plan Would 'Reinvent' Agencies' Roles

WASHINGTON — Two central federal agencies would lose their monopoly power over providing the government with goods and services under a draft plan prepared for the Clinton administration's "reinventing government" task force.

The plan recommends ending the General Services Administration monopoly over the acquisition of supplies, services and facilities — from cars to furniture to office buildings. The plan also would end the monopoly role of the Government Printing Office and allow federal managers to bypass the agency to obtain printing services.

The proposals not only would affect the way the government handles logistics and support services but also would revamp how contracts are awarded to private-sector companies. In some markets, such as computers, where the government spends more than \$20 billion annually on hardware and software, the financial stakes are enormous.



Mr. Clinton working the crowd in Vineyard Haven, Massachusetts, before a shopping trip at a bookstore and a sporting goods shop.

The draft report was dated July 29. It is one of several prepared by the National Performance Review, which is led by Vice President Al Gore, and circulating inside the government.

The review, announced by President Clinton in March, will recommend ways to "reinvent government" by making it work better and cost less. Mr. Gore has indicated that the review will propose overhauls of the government's budgetary, procurement, personnel and information technology systems. (WP)

Privacy Groups Fear Health-Care Data Bank

WASHINGTON — As President Clinton considers creating a national health-care data bank to cut costs as part of his reform effort, civil libertarians are raising an alarm over breaches of privacy that might result from such a computerized network.

Officials representing the American Civil Liberties Union and other privacy groups are already mounting a campaign to tighten laws protecting the confidentiality of medical records. (LAT)

Mr. Clinton's advisers have proposed requiring all people enrolled in the new health plan to carry a "smart card" imprinted with computer chips containing their medical histories. Doctors' and insurers' computers could scan the card to call up information about a patient's medical records and health insurance.

Existing privacy laws do a better job shielding an individual's videotaped records from prying eyes than keeping medical records private, said Judith Goldman, director of the ACLU's Project on Privacy and Technology. (LAT)

Quote/Unquote

George Bush, four years ago during his first vacation as president, exclaiming as he watched one of his golf shots: "Oh, golly darn, get up there!"

President Clinton this week, doing the same thing: "Whoa, mama, stay up!" (NYT)

A 4th U.S. Official Quits Over Bosnia

By Steven A. Holmes
New York Times Service

WASHINGTON — Saying he could no longer countenance a policy that he believes legitimizes aggression and genocide in Bosnia, the State Department spokesman, termed Mr. Walker's resignation "an honorable form of protest."

Asked what he felt the resignation indicated, Mr. McCurry said: "I think it tells you what the secretary himself has said on numerous occasions — this is a frustrating, terrible problem in which answers are not easy to come by. And it's just as frustrating for the secretary as it is for people at the country-desk-officer level who work on the problem."

In a letter to Secretary of State Warren M. Christopher, the official, Stephen W. Walker, said Washington's failure to take a harder line against the Bosnian Serbs had resulted in hundreds of thousands of casualties and undermined vital U.S. interests.

"A dangerous precedent is being set," he wrote. "Genocide is taking place again in Europe, yet we, the European Community and the rest of the international community stand by and watch."

Mr. Walker, 30, who has worked in the Foreign Service for eight years, was the desk officer for Croatia in the office for Eastern European affairs. He was relied on mostly to produce information and recommendations to be used by senior officials to develop policy.

As a candidate for president, Bill Clinton said he would take a more vigorous stance against what he termed Serbian aggression in Bosnia. But in recent months, his administration has said it would support a resolution of the war

acceptable to all the parties, even one that allowed the Serbs and Croats to keep land they had taken by force.

On Monday, Michael McCurry, the State Department spokesman, termed Mr. Walker's resignation "an honorable form of protest."

Asked what he felt the resignation indicated, Mr. McCurry said: "I think it tells you what the secretary himself has said on numerous occasions — this is a frustrating, terrible problem in which answers are not easy to come by. And it's just as frustrating for the secretary as it is for people at the country-desk-officer level who work on the problem."

In a telephone interview on Monday, Mr. Walker said: "There is widespread support in the department for doing more, and widespread frustration with the department with our policy. It's very difficult to find people within the department who support our policy."

In his letter, Mr. Walker urged the administration to arm the Muslim-dominated Bosnian government and to act to preserve Bosnia within its original borders, guarantee the rights of all people and punish all war criminals and states that violate international law and principles.

The United States has backed each of these goals, but Mr. Walker called Washington's support half-hearted.

Coming to the UN: A Corruption Cop

By Julia Preston
Washington Post Service

UNITED NATIONS, New York — Responding to pressure from the United States to reform its huge bureaucracy, the United Nations has named a high-level corruption investigator for the first time.

The investigator, Mohammed Ali Niaz, an Egyptian accountant who has served as the United Nations' top internal audit official, has been appointed to fill the job starting Sept. 1.

He will have the title of assistant secretary-general for inspections and investigations, and will report directly to Secretary-General Butros Butros Ghali, who created the new post. Mr. Niaz will be assisted by a staff of about 90.

UN officials said the new position was temporary. At its session opening in the fall of 1994, they said, the General Assembly will be asked to establish an even higher-level, permanent position with broader investigative powers.

"We want to get a track record for tough investigations that get results," said Melissa Wells, an American who is the UN undersecretary general for administration.

The United States, by far the biggest contributor to the UN budget, has long been calling for the world body to create an inspector-general position similar to that of many U.S. government agencies.

Dick Thornburgh, the former Pennsylvania governor who served for a year as the head of UN administration during the presidency of George Bush, recommended the measure in March, at the end of his tenure, in a highly critical report about UN waste and mismanagement.

Madeleine K. Albright, the chief U.S. delegate to the United Nations, has taken up the theme in recent speeches, disclosing new details about UN administrative problems. The United Nations employs about 15,000 people worldwide.

By UN accounts, the United States is \$786 million behind on its regular and peacekeeping UN dues, more than any other nation.

The Clinton administration has pledged to strengthen its cooperation with the United Nations, and American officials had told Mr. Butros Ghali that the creation of an independent oversight office would be a sign to congressional critics that the United Nations was taking steps to change.

"We welcome this change in the way the United Nations does business," said James P. Rubin, the spokesman for the U.S. mission here. Both Mr. Rubin and Ms. Wells emphasized that there had been no agreement between the United States and Mr. Butros Ghali regarding the new office.

The new official will not be called an "inspector-general," as he might be in the United States, because of objections to the term from many French-speaking nations where an "inspector" is a police officer.

Mr. Butros Ghali's decision was influenced by a continuing investigation into possible irregularities in bidding for helicopter contracts for UN peacekeeping operations. Eight top UN procurement officers remain suspended in the case, which has dampened morale among staffers who think that the United Nations is poorly equipped to conduct a fair inquiry.

Michael Jackson Aide Says Money Motivated Abuse Accusation

Compiled by Our Staff From Dispatches

LOS ANGELES — A security consultant for the pop star Michael Jackson said that a police investigation of him had been prompted by allegations of child abuse from blackmailers who tried to extort \$20 million.

The Los Angeles police and prosecutors confirmed that a complaint was being investigated.

"We have to be sensitive to everyone involved," said a police officer, David Gascon. "We intend to be very professional in the way we conduct this investigation."

He said that Mr. Jackson's entourage had been cooperating fully with the police and that no arrest warrants had been issued. The investigation began Aug. 17, he added.

Mr. Gascon would not confirm a Los Angeles television station's report that search warrants had been served Saturday on Mr. Jackson's Los Angeles condominium and his ranch near Santa Ynez, about 120 miles (200 kilometers) northwest of Los Angeles.

In Bangkok, where Mr. Jackson, 34, began a new leg of a worldwide

tour with a concert on Tuesday, the event's promoter said that Mr. Jackson knew that the searches would take place.

"This is not something that happened last night," said the promoter, Brian Marcar. "This is a very old case, really, so there is no recollection."

"You know, when you are a superstar people want to discredit you, they want to extort money," he added. "It is a normal thing."

The investigation was prompted by "an extortion gone awry," said Anthony Pellicano, a private invest-

igator who said he had worked with Mr. Jackson for four years.

Mr. Pellicano said that people who knew Mr. Jackson had tried to extort \$20 million by alleging that he had abused a child. He declined to identify the people.

"We had no intentions to do anything with it, we wanted to see how far they went," he said. "They made threats that they wanted to go to the district attorney's office and I says, 'Go.' I says, 'Why you waiting?'"

"When we would not pay," he added, "a phone call was made to

Child and Family Services, which started this investigation."

Mr. Jackson's concert Tuesday in Bangkok drew a sellout crowd of 40,000 at National Stadium.

"His biggest problem is getting ready to perform tonight, hoping that it isn't going to rain," Mr. Marcar said before the concert.

A member of the pop star's entourage, who asked not to be identified, defended him and lashed out at his accusers.

"It's really despicable that someone should bring up something like this while Michael's out of the country," she said. "He's a very gentle person and loves everybody and would never be involved in any criminal activity."

Mississippi Open for Business Shipping Traffic Resumes as River Recedes

The Associated Press

ST. LOUIS, Missouri — The still-flooded but slowly receding upper Mississippi River has reopened to commercial traffic, welcome news for barge companies that lost millions of dollars during the idle summer.

"Elastic. That says it," said George Foster, president of Midway Marine Inc. in St. Louis. "This is the busiest time of the year for us. It's been devastating to our industry."

Shippers have estimated that 5,000 barges, some loaded with grain, fertilizer and coal, were idled by the two months of flooding, and the barge industry lost an estimated \$3 million daily.

The flooding caused an estimated \$12 billion in damage overall, much of it to crops and farmland,

and resulted in at least 45 deaths. Restrictions on the river began in late June, and it was entirely closed beginning July 11 for the 830 miles (1,350 kilometers) between Minneapolis and Cairo, Illinois.

Southbound traffic resumed on Sunday and northbound traffic on Monday. Short sections southward from Minneapolis, the head of shipping on the river, had been reopened earlier as water receded.

Some restrictions remain, such as the number of barges allowed per tow, to keep down damage to levees and sandbagged areas, said a Coast Guard official, Frank Dunn. Recreational traffic also is being allowed. But Mr. Dunn said officials were advising pleasure boaters to use extreme caution because the water remained high and fast.

"We're still trying to discourage recreational traffic," he said, "but commercial traffic is slowly but surely getting on with business as usual."

The Missouri River, which was

closed at one point as far north as Brownsville, Nebraska, was back in operation by Saturday. The Illinois River, closed for about 60 miles from its mouth to Valley City, Illinois, was reopened Monday.

The Mississippi remained above flood stage from Muscatine, Iowa, to Cairo, Illinois. Although it was falling in most areas, the river rose slightly in the Muscatine area Monday because of recent rainfall. At St. Louis, where the river crested at a record 49.4 feet (15 meters) on Aug. 1, the river was at 33.7 feet on Monday, 3.7 feet above flood stage.

Away From Politics

• Years of efforts to reduce heavy drinking in the military have largely failed, and alcohol abuse remains a serious problem, according to a study of American service personnel. The prevalence of heavy drinking is down to about 15 percent from 22 percent in 1980. But virtually all of the drop is due to an influx of older, better-educated recruits who are more likely to be married and less prone to drink heavily.

• The national average price of \$1.10 a gallon for regular gasoline will be the lowest for a Labor Day holiday since 1986, the American Automobile Association said. The average price is down 5.7 cents a gallon from a year ago and is 2.3 cents lower than at the July 4 holiday. Labor Day falls on Sept. 6.

• Human error may have caused a cruise ship to slam into a rock in Glacier Bay near Juneau, Alaska, investigators said. A captain's mate was alone on the bridge of the Yorktown Clipper at the time of the accident last week. The ship was heavily damaged, but there were no injuries.

• The National Aeronautics and Space Administration has replaced the engines of the space shuttle Discovery, clearing the way for a fourth try, on Sept. 10, to launch a satellite delivery mission.

• A school bus bound for Cuba crossed the U.S. border into Mexico at Laredo, Texas, after a three-week standoff between customs officials and religious activists protesting the U.S. trade embargo against Cuba. The protesters ended a hunger strike after the Treasury Department agreed to let the bus leave Laredo.

• The United States is offering a \$100,000 reward for tips leading to the arrest of Mir Aimal Kani, the prime suspect in two fatal shootings outside CIA headquarters in Washington. He is believed to be in Pakistan, Afghanistan, Iran or Iraq.

• Mayor Frank Jordan of San Francisco dismissed a member of the city's Human Rights Commission, the Reverend Eugene Lumpkin, who said he believed in a biblical passage saying that homosexuals should be stoned to death.

• A drug ring smuggled cocaine to the United States and Western Europe by bonding it to bath-tubs, suitcases and other items and then chemically extracting it, federal officials said. Fourteen people were charged with conspiracy in grand jury indictments unsealed in Kansas City, Missouri. (AP, UPI, Reuters)

Tatiana Troyanos, Versatile Mezzo, Dies at 54

New York Times Service

NEW YORK — Tatiana Troyanos, 54, an American mezzo-soprano whose enormous repertoire covered the full range of operatic history from Monteverdi to Philip Glass, died of cancer Saturday.

Miss Troyanos's dark, flexible mezzo was ideal for the wrenching emotionalism of such characters as Carmen, Kundry in Wagner's "Parsifal," Eboli in Verdi's "Don Carlo," Santuzza in Mascagni's "Cavalleria Rusticana," and both Puccini's and Berlioz's Dido.

Her vocal and dramatic agility, as well as her ability to learn difficult roles quickly, made her a singular choice for revivals of rarely performed Handel and Mozart works.

Her first break was in 1963, when Julius Rudel signed her to the New York City Opera roster. She made her debut that year as Hippolyta in Benjamin Britten's "A Midsummer Night's Dream" and also sang Jocasta in Stravinsky's "Oedipus Rex."

In 1965, she joined the Hamburg State Opera, where she made her way through a large part of the mezzo-soprano repertoire. But her first major European appearances were at Aix-en-Provence, where she made her debut in 1966 as the Composer in Strauss's "Ariadne auf Naxos," and at Covent Garden, where she performed her first Octavian in 1969, learning the role on a week's notice to fill in for another singer.

Dinmukhamed Kunayer, 81, Governed Kazakhstan

MOSCOW (Reuters) — Dinmukhamed Kunayer, 81, who governed Kazakhstan for 22 years as Moscow's Communist viceroy, died Sunday, Russian news agencies reported.

A close associate of the former Soviet leader Leonid I. Brezhnev, he served in the ruling Politburo from 1966 to 1987, for 16 years as a full member.

Salah Jadid, 66, Assad Foe, After 23 Years in Syrian Jail

AMMAN, Jordan (AFP) — Salah Jadid, 66, once one of the most powerful men in Syria, died in Damascus last week after being held

prisoner for 23 years by the government of his one-time rival President Hafez Assad, his family said.

Mr. Jadid, leader of the Arab Ba'ath Socialist Party and a member of Syria's ruling elite between 1966 and 1970, died Thursday.

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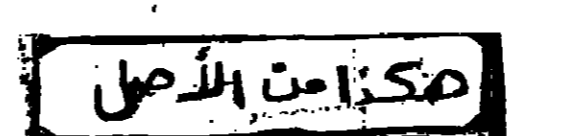
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Recession in Japan, Plus a Tenacious Trade Surplus

By Kenneth S. Courtis

TOKYO — Japan's new coalition government is in an economic bind, with the country caught in the tightening grip of a deflationary vise...

local authorities to engage in much new spending for fear of being drawn into a web of suspicion. It is precisely at these levels of government that the responsibility resides for spending much of the \$240 billion in extra funds set aside during the past year to stimulate the economy...

dollar drains about 0.5 percent of growth from the Japanese economy in the succeeding 12 months. Gross domestic product grew by 2.7 percent in the first quarter, a good performance...

indicate that these trends have continued through the summer, with Japan's surplus growing by 28 percent from a year earlier as imports remain weak and exports strong...

A Grim Silence in Algeria

Algeria, with all opportunities for peaceful change rapidly disappearing and its unpopular government clinging to power by military force, slides deeper into the sterile politics of death...

similar settling of scores accompanied Algeria's war of independence from France in the 1950s and 1960s — but then, at least, there was hope for a brighter tomorrow...

Favoring Adoptive Parents

It is no secret that many children would be healthier and happier with adoptive parents than with the parents that nature dealt them. That is especially true of children who remain in abusive homes because the law blindly favors biological parents...

Meanwhile, also in Florida, a 12-year-old boy who had languished in foster care won "a divorce" from his mother on grounds that she had abandoned him. Inspired by the case of Gregory K. Kimberly...

NAFTA Looks Bad for U.S. Jobs and Wages

By Harley Shaiken

BERKELEY, California — Will the North American Free Trade Agreement unleash economic growth throughout the Americas, as proponents promise...

for workers producing the same model near Detroit. Not only won't Mexican workers be buying many Escorts at these wages, U.S. consumers will continue to pay the same price wherever the car is produced...

worker rights." The side agreements announced the other day provide little protection. The labor accord excludes industrial relations issues — violations of the right to strike or organize independent unions — from the possibility of fines or sanctions...

Armed Robbery in the Balkans, With More Warring to Come

By Milos Vasic

BELGRADE — Right in the middle of some trivial exaltation over the Geneva negotiations, something of great significance happened in the field in the former Yugoslavia. The Serbs of the Krajina region of Croatia gleefully destroyed a makeshift pontoon bridge that the Croats had built over the strategic Maslana Channel...

Even if some settlement is found providing for a reduced Bosnian state, the convoluted lines will ensure small-scale war for at least 10 years. Negotiators, predictably, began repeating their warnings about the "peace process" being "in danger."

is the ideal warning against the stupidity of Western diplomacy. That diplomacy failed to notice some crucial facts because it let itself be diverted and swayed by Mr. Tudjman's and Mr. Milosevic's street-artist diplomatic antics...

Banja Luka-Knin area are in deep trouble, relying on their reserves of food, fuel and ammunition. In this situation, their willingness to wage total war is to be taken seriously. They know that the Croats can always try to side with the Bosnian government against the Serbs as circumstances dictate...

Get Control of Pesticides

The Clinton administration is trying to work out major changes in federal pesticide policy. Good luck. The details, or some of them, may be announced as early as next month. In the long run the most important could involve a promised effort not just to regulate pesticide use but to discourage it...

benefit in weighing risk; in other cases, they are forbidden to do so. The differences are mostly historical and legislative accidents. The administration would trade the Delaney clause for a single standard under which no pesticide residue on food products could present more than a "negligible risk."

Other Comment

NAFTA, for Fairness

Among NAFTA's critics there are some groups not really interested in solving potential problems with the pact. They include knee-jerk protectionists and a few extreme environmentalists who would halt economic development in regions like the borderlands...

Irma's Story Helped the Other Irmas

By Joann Byrd

WASHINGTON — Two weeks ago, half the world had its eyes fixed on a little girl named Irma. The most lasting image of the war in Bosnia may, in fact, be the picture of Irma, her small body being by the ravages of shrapnel, a child — suddenly everybody's child — in peril...

automatically — by the media and the public — to mean that this person is one of dozens or hundreds or millions. Irma's power to bring attention to other critically ill people in Bosnia is a function of something every journalist and many charities know: Any story of a single life makes it possible to convey a situation otherwise too vast or too terrible to comprehend...

But reality says that the press does not have the capacity to take every needy case to the public. And surely we do not accept the alternative of the media doing no stories of people we want to help. So perhaps we remember Irma Hadzimiratovic...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1893: From Fort Gorilla
LONDON — Professor Garner, an American, left Liverpool last September for South-West Africa where he intended to look himself in a steel cage in order to study the language of the monkey, and by the aid of the instruments, to place it on record. Captain Burton brings a letter he has received from the professor. This letter is dated from Ferman Vaz, and is dated from his steel cage, which he has named Fort Gorilla. The professor is understood to have made great progress in his mission, and has collected a very large number of curiosities and animals...

International Herald Tribune advertisement listing staff members: KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER, RICHARD McCLEAN, JOHN VINOCUR, WALTER WELLS, SAMUEL APT, KATHERINE KNORR, CHARLES MITCHELMORE, ROBERT J. DONAHUE, RENÉ BONDY, RUIJANTA I. CASPARI.



OPINION

Catholicism: The Laity Will Keep Doing It Their Way in Bed

By Andrew Greeley

CHICAGO — It is time for those who are not Catholic to suspend their efforts to end what Catholicism is to us who are Catholics...

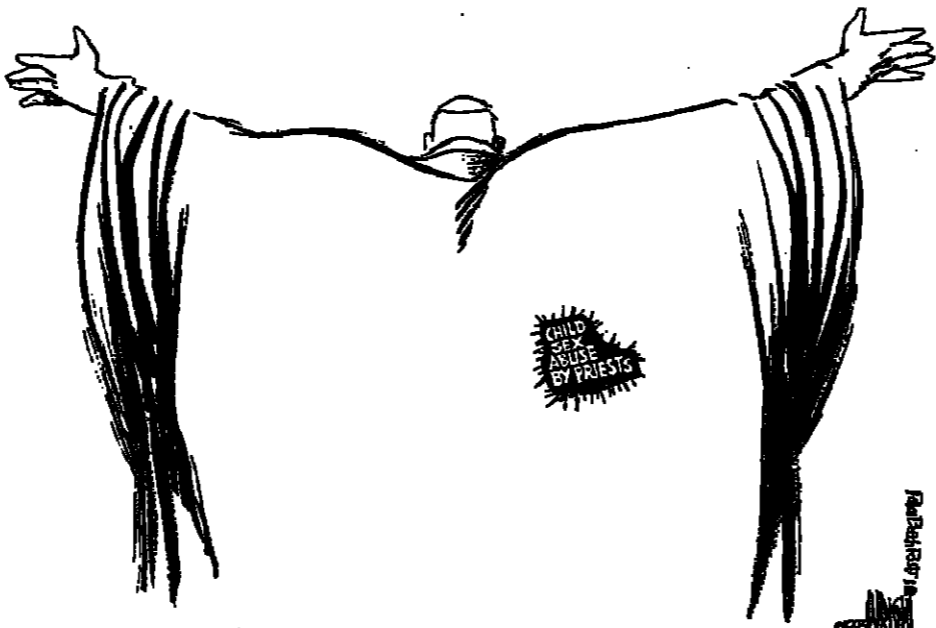
denomination. Even then, the imagery and stories of Catholicism are so powerful that they continue to lurk in the imagination. Once a Catholic, always a Catholic.

St. Augustine, who has dominated official theological thinking on the subject, argued that sex was justified only for procreation and was even then sinful because of loss of control. But most lay people

did not read St. Augustine (because for most of the time they could not read) and they did hear the marriage liturgy in which the union between man and woman was compared to that between God and the church, the marriage bed was blessed and prayers were said that the wife be "compliant and vigorous" in bed — prayers that we would now want to see extended to the husband).

ziazus, John Chrysostom, Alfonso Ligouri — emphasized the goodness and holiness of the human body and the virtue of marital union.

It is not my intent to argue about the birth control controversy — although the laity and the parish have elected to ignore the Vatican's teaching, which no one claims to be "infallible."



For the first millennium of Catholic history, important documents always included the notation "with the consent of the whole Christian people." Pope John Paul II echoed that doctrine when he wrote in his exhortation "Familiaris Consortio" that the married laity have a "unique and indispensable" contribution to make to the church's understanding of human sexuality.

Father Greeley is a professor of sociology at the University of Chicago; his latest novel is "Fall From Grace." He contributed this comment to the Los Angeles Times.

Without My Rocker Life Isn't the Same

By Edwin M. Yoder Jr.

WRIGHTSVILLE BEACH, North Carolina — When we return for the 20th time in as many years to our summer rental cottage, I think of stories in which houses play a role, stories like E. M. Forster's "Howards End," Henry James' "The Spoils of Poynton" or, more to the point, Virginia Woolf's memorable exercise in wistful impressionism, "To the Lighthouse."

MEANWHILE very long have collectively invested years of our lives in this rented house by the sea. As in marriage, we are connected to it for better or worse.

It is an old-fashioned beach cottage, immense thus far to the creeping gentrification that now threatens with the completion of a nearby interstate highway link.

There were a dozen or so when we first came to this house. Even when we weren't sitting in them we could watch them gently nodding in the sea breeze, as if temporarily claimed by benign but invisible spirits.

I huffed out of the rental agency and jimmied the car backward, not seeing a cunningly placed low wooden post just behind me. There was a scraping sound. It was the fender — \$600, with a \$250 deductible, for the luxury of going ballistic over the rocking chairs. Whom the gods would impoverish, they first anger.

I know what you are thinking — that in the cosmic order of things, with danger and starvation and other old enemies of human happiness stalking the world, this is a very small matter.

Yes. But in our kind of vacation, changelessness is like the essence, so much so that buying a different brand of breakfast marmalade can precipitate a crisis. In this house now so deeply woven into our summer lives and psyche, change is the enemy. If the rocking chairs go, what or who will be next? "Probably the beds will be gone next year," Uncle Maurice speculated.

LETTERS TO THE EDITOR

No to Neopacifism

Regarding "Give Peace a Chance" (Letters, Aug. 19): Françoise Pottier's argument for "giving peace a chance" is flawed on several counts. First, it fails to recognize that by imposing the arms embargo, the "international community" has already intervened in favor of Serbia.

A UN Panel of Sages

Regarding "UN Multilateralism: A Cure for Ugly New Nationalisms" (Opinion, Aug. 21): Secretary-General Butros Butros Ghali has given us an original, sober appraisal of the gigantic tasks facing the United Nations.

A Front-Page Picture

The top of your front page of July 20 displayed a large photograph of Palestinian women protesting the continued expulsion from Israel of men alleged to be active in Arab terrorist organizations.

Tragedy in East Timor

Regarding "Suharto Defends East Timor Takeover" (July 8): You report that Suharto told President Bill Clinton that Indonesia invaded East Timor to end a civil war. He also claimed that the Indonesian government's actions were based on "respect for the human rights of the people of East Timor."

A Call for Liter-Ship

Regarding "Good News From Europe and Japan" (Opinion, Aug. 10) by C. Fred Bergsten: There can be no doubt that exports are of vital importance to the United States. As to the "unless something else is done" mentioned by Mr. Bergsten, may I suggest that something else is the full adoption of the metric system, to which the rest of the industrial world adheres.

The UN Role in Bosnia

Have any of the UN promises worked to stop the Serbs in Bosnia? Of course not. The only thing that got the Serbs to withdraw from two of the mountains overlooking Sarajevo was the threat of attack by the U.S. Air Force. That alone proves that force, or a threat of force, carries more weight with the Serbs than all of the negotiators put together.

Paganism and the Pope

En route home by air, one day after having witnessed the Palio, a centuries-old horse race in the main square of Siena, I was startled by a story in the International Herald Tribune ("Pope Warns of Pagan Aspects to Festival," July 3), which said that Pope John Paul II had denounced "forms of nature worship and the celebration of myths and symbols usurping traditional celebrations of the Christian faith."

Fish and the Future

Regarding the editorial "Phendring the Sea" (Aug. 3): The fishing industry continues to maintain relentless pressure for further expansion — the unstated

Science Knows that a Particular Hairpin Turn in the Track Results in Spills that Often Cause Terrible Injury to Horses (and sometimes to Riders) and even Death.

That is why some spectators gather early to reserve a place at that spot. Horses that hours before were consecrated in religious rites are paid no heed as they lie moribund during and after this brutal and grotesque event. Should the Pope not use his good office to stop such paganism?

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Letters Intended for Publication

Should the Pope not use his good office to stop such paganism? A. BERNARD ACKERMAN, New York.

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Should the Pope not use his good office to stop such paganism? A. BERNARD ACKERMAN, New York.

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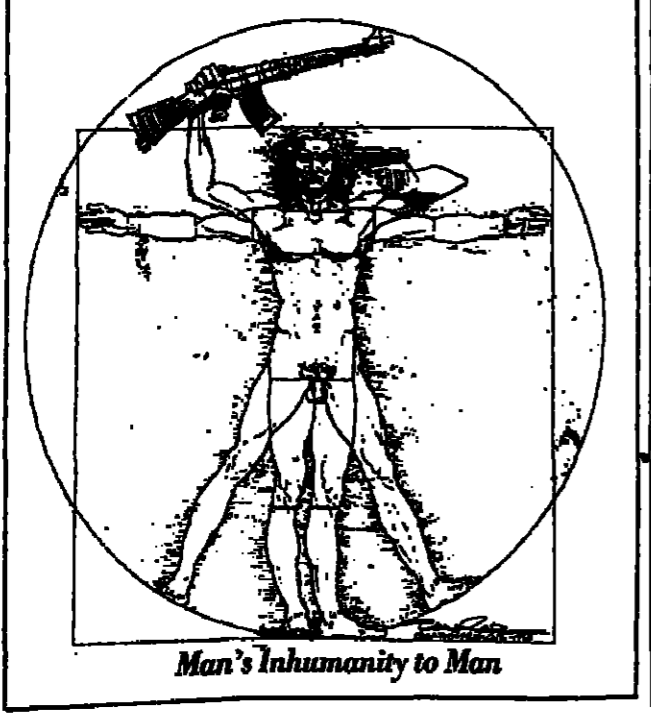
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حزب الامن الوطنى

Suspect Ship From China Sailing to Saudi Port

MANAMA, Bahrain — A Chinese ship suspected to be carrying chemical-weapon materials to Iran headed Tuesday for a port in Saudi Arabia after China agreed to a search of the cargo.



3 DIE IN SOUTH AFRICA UNREST — An injured man being carried from a demonstration on Tuesday at Witwatersrand University after unidentified attackers threw tear gas at the protesters.

RANGERS: Heading to Somalia

Continued from Page 1
A withdrawal. One official said that, however, that the United States would not withdraw its forces until steps had been taken to "erode" General Aidid's power.

COMBAT: 2 Views in Germany

Continued from Page 1
needed to govern, unless he finds a new coalition partner in the Social Democratic Party.

7 Die in Russian Air Crash

MOSCOW — Seven people were killed when a Russian military transport plane crashed near Volgograd after three of its four engines failed.

ARSON: German Town Said to Have Sought Attacker

Continued from Page 1
I can confirm that people had strong feelings against the asylum seekers, the town's mayor, Ute Freiler, said Tuesday.

Life, Death and a Giant Dam Is India Project to Be a 'Man-Made Disaster'?

By Molly Moore
Washington Post Service
GADHER, India — The nearby village where Sijaji Nogyra's tribe has lived for more generations than he can count has disappeared, taking his home, his crops and a centuries-old way of life.

BUSINESS MESSAGE CENTER
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Israelis Reject Report on Missile

JERUSALEM — Israel on Tuesday rejected a U.S. report that it might have undertaken the development of an Arrow anti-ballistic missile and suggestions that Arrow technology had been passed to a third party.

Paris Bans a Minced Pork

PARIS — French health authorities issued an order Tuesday banning the sale of a brand of mince, or minced pork, after a listeriosis outbreak killed an adult and caused two stillbirths and four abortions.

PLO: Arafat Leadership Falter at a Critical Moment

Continued from Page 1
post, saying he would devote himself to literature.
Earlier this month, Mr. Hussein and two fellow Palestinian peace negotiators, Hanan Ashrawi and Saeb Erekat, offered their resignations, too, in protest against deals they said Mr. Arafat was making behind their backs with Israel and the United States.

ESCORTS & GUIDES

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(Continued From Page 15)
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Page 5 FOR MORE BUSINESS MESSAGES

'70s Stuff: Not So Hot
Faust Goes Disco in Rock Musical

By Sheridan Morley
International Herald Tribune

LONDON — If there's anything worse than an old rock musical it is a new rock musical, and sure enough, along with all those old ones cluttering up the West End, we now have a new one at the Cambridge...

LONDON THEATER

the world, Mephistopheles is therefore reincarnated as Mavis de Folliis, an artist's agent, and we go rapidly to the devil from there. At times Paul Kerryson, as director-deviser, seems to be parodying the rock stars of 20 years ago, and the plot of the show is a pastiche of the best of the 1970s...

of classical Greek tragedy and of Shakespearean verse. Precisely the kind of work that subsidized companies were created to perform, it has been left to a fringe group, the Damned Poets Theatre Company, to bring "The Cent" to London...

True, this is a complex and tricky tragedy to stage, for precisely which reason it could benefit from more technical and artistic resources than are available here.

What is extraordinary is that in his late 20s, only three years before his death, Shelley, with no real dramatic experience except that of his private life, was able to achieve something on this Shakespearean scale: the tale of the evil Count Francesco Centi, a real-life nobleman of the 16th century whose cruelty was so monumental that finally his daughter Beatrice rebelled.

When, after her father has killed two of her brothers and held a banquet to celebrate the murders, the Pope refuses to intervene, Beatrice takes the matter into her own hands, arranging with considerable difficulty and at least one false start to have her father assassinated.

Brought to trial with her mother and brothers, she behaves in court like an amalgam of Portia and Isabella, chastising an archaic, male-oriented society that has stood behind her father because of his establishment credentials, blinding itself to his readily apparent evil.

The play, which was originally banned for almost a century, first came into its own during the 1920s when Sybil Thomdike made it her own. Indeed it was at a performance of "The Cent" that Bernard Shaw said "I have found my St. Joan." The role is a tough one, since Beatrice really comes into her own only during the trial and is, unlike Portia, not given much of a life outside it. But working in Sydney Blake's fine production, Louise Bagnay has much of the fire of triumphant moral innocence against the Mafia count of Craig Pinder.

Elsewhere in the cast, Jason Morell and Andrew Hawkins, are powerful in revenge and treachery, while an evidently limited budget a brave attempt has been made to bring back a play for too long lost. The fire that drives "The Cent" is the fire of Shelley's moral indignation at a corrupt conservative world, and it still burns very brightly.



David Dale as Helen in Paul Kerryson's "Hot Stuff" at the Cambridge.

Supertitles?
The Met Finally Comes Around

By Allan Kozinn
New York Times Service

NEW YORK — After years of refusing to consider the use of supertitles — projected translations of opera texts — the Metropolitan Opera has abandoned its objections. In a major change of policy, the company has been experimenting with a title system that its officials hope will overcome both technical and philosophical problems. The system may be in place for the opening of the 1994-95 season.

Joseph Volpe, the company's general manager, said that he and James Levine, the company's artistic director, objected in principle to supertitles because they were distracting. But he said that for the sake of attracting new audiences, and to make less-familiar repertory more attractive to opera-goers, they had concluded that titles were necessary.

Small screens would be wired into the backs of the house's 3,800 seats.

The company said it hoped to develop a new system in which small screens would be wired into the backs of the Met's 3,800 seats, instead of the conventional system that uses a projection strip above the stage. Because the Met proscenium is so high, people in the front section of the orchestra would have to crane their necks to read the standard screen, and the view from some boxes would be obstructed.

"To make it possible for everyone to see the screen," Volpe said, "it would have to be lowered, and the heights of the majority of our productions would have to be adjusted. And that's something we're not prepared to do. So we have been exploring new technologies."

Although the Met has not yet produced a prototype, its plans call for a screen two inches high and eight inches wide that would display a computer-generated text.

The screens at the seats could be turned off, giving opera-goers the choice of using them or not. Volpe said that the company planned to build the system itself, and was experimenting with fibers that would make it impossible for anyone other than the person facing the screen — even the person in the adjacent seat — to see the titles.

Most of the major American opera companies, including the Lyric Opera of Chicago, the San Francisco Opera and the New York City Opera, have been using supertitles for much of the last decade, and all say that audience response has been overwhelmingly favorable.

THOSE who believe in titles say they make opera accessible to people who do not know foreign languages and who do not want to invest time in learning the libretto before attending a performance. Opponents say they distract attention from the drama on the stage and in the music, lead audiences to laugh in the wrong places, and sometimes convey imprecise or misleading renderings of what is being sung.

Levine has long opposed supertitles for these reasons. In 1985, he said in an interview: "Over my dead body will they show those things at this house. I cannot imagine not wanting the audience riveted on the performers at every moment."

When the Kirov Opera performed at the Met last summer, its directors complained that they were prohibited from using their own supertitle system in the house. At the time, Met officials said there were technical problems, but it was widely believed that the company was simply upholding its aversion to projected translations and forestalling pressure to adopt the use of supertitles for the Met's own productions.

But Levine has accepted the use of supertitles with Metropolitan Opera telecasts, and he did not object to the use of supertitles in performances he conducted during the Met's tour of Japan this summer.

After Modernism, What? A Natural Turn to Baroque

By John Rockwell
New York Times Service

SALZBURG — The dominant composer at this summer's Salzburg Festival is Claudio Monteverdi, and that is no accident. Gerard Mortier, the festival's artistic director, is a modernist, and the modernist sensibility has long period-music-frames before the Romantic era.

Modernists since, between the world wars have prized old music in general and Baroque music in particular because they heard its clean-lined, rigorous structuralism as a welcome antidote to the bathos of Romanticism. But the modernist enthusiasm hardly accounts for the plethora of prominent, critically applauded stagings of Baroque opera that have taken place all seasons throughout Europe.

One explanation is almost tautologous: The recent rediscovery of the Baroque has allowed these operas to transcend mere structuralism, to regain estranged stripped by excessively purist performances and to claim an event

of directors of major opera houses shown the ability or the willingness to commit resources on a regular basis to stagings of Baroque opera.

But there is, I would argue, yet another reason for the popularity of Baroque opera productions: the piquant tension between how they are played and sung and how they are staged. This is a tension that exists in all opera, but it's also, "intely contemporary," as with a punk "Don Giovanni," a Mafia "Rigoletto," and the Japanese-abstract "Tristan und Isolde" at Bayreuth this summer.

MAINSTREAM conductors aim to be ever more scrupulous, abjuring cuts and seeking out the most musically responsible performing editions. Baroque performers strive for that elusive commodity, "authenticity," with period instruments and carefully researched ornamentation. But stage directors for opera of all kinds, Baroque and beyond, normally seek no similar fidelity to the past.

This is true even at the Drottningholm Court Theater in suburban Stockholm, the most perfectly preserved Baroque theater in the world. This summer there were musically impeccable performances of Gretry's "Zemire et Azor" and Martin y Soler's "Così fan tutti," but in both productions the opera was staged in a fully modern style (John Cox's "Zemire" or cute fussiness (Francisco Negrin's "Così fan tutti").

Elisabeth Soderstrom, the new artistic director at Drottningholm, likes original-instruments performances and nostalgic homages to theater history. But as with so many modern theater people, she is horrified at the very notion of turning Drottningholm into a "museum."

One reason contemporary impresarios shy away from attempting theatrical authenticity in the staging of Baroque operas is that we know so little of how singers and actors and dancers of the time actually moved. And what we do know, scars directors by its distance from contemporary practice; modern audiences, they worry, would be alienated or amused by real efforts to recreate 17th- and 18th-century styles,

which might seem extraordinarily artificial today.

Of course the same fears were voiced several decades ago about "authentic" music-making, and today it's a fact. But until a parallel authenticity in stage business becomes modish, we are left with the present-day discrepancy between sight and sound.

The finest of all the 1992-93 European Baroque opera productions was a staging of Marc-Antoine Charpentier's "Médée" with Christine and his Arts Florissants. The co-

production by the Théâtre de Caen, the Opéra du Rhin and the Opéra Comique in Paris was staged by Jean-Marie Villégier. Villégier is the master of sophisticated contemporary comment on the past without betraying its aesthetic assumptions. He creates stage pictures that seem to spring directly from paintings of the time (meaning the 17th century). Yet within the formal constraints of an earlier aesthetic, he creates drama that can touch a modern audience. It is Villégier who has found the finest solution yet to the staging of Baroque opera for our time.

BOOKS

THEIRS WAS THE KINGDOM: Lila and DeWitt Wallace and the Story of the Reader's Digest
By John Heidenry, 701 pages, \$29.95, Norton.

Reviewed by Jonathan Yardley

THE Reader's Digest is the Rodney Dangerfield of American journalism, beloved by untold millions in the provinces but detested a scintilla of respect in the elite, establishmentarian circles where reputations are inflated or crushed.

But also what John Heidenry calls its "vision of a simple, innocent, all-powerful America," yet in the red-hot centers of media self-inflation it is regarded as little more than reading matter of last resort in dentists' waiting rooms.

Generalizations are always risky, but let's try one anyway: In the history of journalism no publication has labored under greater discrepancy between reputation and actuality than the Reader's Digest.

The little magazine toward which the powers that be accord scant attention, and condescending or disparaging attention at that, may well be more powerful than any of them. "For every opinion you read in the New York Times or the Washington Post," Heidenry writes, "there were 10 or more subscribers whose chief

source of political information was the Reader's Digest — and they made their opinion count where it mattered the most, in the ballot box."

Since its founding seven decades ago by an eccentric Midwesterner named DeWitt Wallace and his wife, Lila, the Digest has been — depending on time and circumstances — Republican, isolationist, anti-Communist, interventionist, secessionist, and government-segregationist and, this above all else, widely, madly, thespodically pro-business.

Nobody loves the Digest except its readers. Its American circulation of well over 16 million is exceeded only by that of Modern Maturity, which is sent automatically to members of the National Association of Retired Persons.

Modern Maturity, though, is left at the starting blocks by the Digest's international readership of 100 million, reached in nearly three dozen different languages — not to mention the Digest's various operations in condensed books, recordings and other media.

Heidenry clearly is not unreservedly admiring Wallace. He agrees that the Digest quickly became a fortune-telling magazine but acknowl-

edges that the formula — "force isolationism, humor, warm human-interest stories and muckraking" — from the outset touched a responsive nerve in millions. If anything, what bothers him is that as Wallace lost touch with the magazine and then (in 1981) died, the Digest became "a formula magazine produced by Ivy Leaguers for the consumption of Ivy Leaguers."

What happened to the Digest in its first six decades is a familiar story: It evolved from the unique creation of a gifted and somewhat peculiar individual into a carbon-copy corporation, just another big company the leadership of which "had become an interchangeable part of the corporate machinery."

This is why, despite Heidenry's heroic efforts to make it otherwise, the second half of this long narrative is far less interesting than the first: once Wallace fades away and is replaced by cookie-cutter automatons, even ones whose rivalries are of medieval complexity, the human element recedes as well.

Jonathan Yardley is on the staff of the Washington Post.

BEST SELLERS

- The New York Times
This list is based on reports from more than 1,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

- 1 THE BRIDGES OF MADISON COUNTY, by Robert Lewis Taylor, 154
2 VANISHED, by Danielle Steel, 212
3 STREETS OF LAREDO, by Larry McMurtry, 137
4 THE CLIENT, by John Grisham, 132
5 LIKE WATER FOR CHOCOLATE, by Jean-Louis Carre, 127
6 THE NIGHT MANAGER, by John Le Carré, 125
7 PLEADING GUILTY, by John Grisham, 121
8 SIGNS IN HEAVEN, by Barbara Kingsolver, 117
9 HONORABLE THIEVES, by Robert Ludlum, 115
10 A CASE OF NEED, by Michael Chabon, 112
11 THE LAST THING HE SAID, by David Shields, 108
12 PRIME WITNESS, by Steve Martin, 105
13 ALL THESE YEARS, by Susan Isaacs, 103
14 THE SCORPIAN LILY, by Robert Ludlum, 102
15 THE SHINING ONES, by David Eddings, 101
16 WOMEN WHO RUN WITH THE WOLVES, by Clarissa Pinkola Estés, 98

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NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div. Yld PE Ratio

12 Month High	12 Month Low	Stock	Div.	Yld	PE Ratio
120.00	110.00	IBM	3.00	2.7%	15.0
100.00	90.00	Microsoft	0.00	0.0%	18.0
80.00	70.00	Apple	0.00	0.0%	20.0
60.00	50.00	Oracle	0.00	0.0%	22.0
40.00	30.00	Novartis	0.00	0.0%	25.0
20.00	15.00	Merck	0.00	0.0%	28.0
10.00	8.00	Johnson & Johnson	0.00	0.0%	30.0
5.00	4.00	Amgen	0.00	0.0%	35.0
3.00	2.50	Genentech	0.00	0.0%	40.0
2.00	1.50	Amgen	0.00	0.0%	45.0
1.50	1.00	Amgen	0.00	0.0%	50.0
1.00	0.50	Amgen	0.00	0.0%	55.0
0.50	0.25	Amgen	0.00	0.0%	60.0
0.25	0.10	Amgen	0.00	0.0%	65.0
0.10	0.05	Amgen	0.00	0.0%	70.0
0.05	0.02	Amgen	0.00	0.0%	75.0
0.02	0.01	Amgen	0.00	0.0%	80.0
0.01	0.00	Amgen	0.00	0.0%	85.0
0.00	0.00	Amgen	0.00	0.0%	90.0
0.00	0.00	Amgen	0.00	0.0%	95.0
0.00	0.00	Amgen	0.00	0.0%	100.0

12 Month High	12 Month Low	Stock	Div.	Yld	PE Ratio
150.00	140.00	AT&T	0.00	0.0%	12.0
120.00	110.00	Verizon	0.00	0.0%	15.0
100.00	90.00	WorldCom	0.00	0.0%	18.0
80.00	70.00	Sprint	0.00	0.0%	20.0
60.00	50.00	Qwest	0.00	0.0%	22.0
40.00	30.00	Level 3	0.00	0.0%	25.0
20.00	15.00	Southwest	0.00	0.0%	28.0
10.00	8.00	Delta	0.00	0.0%	30.0
5.00	4.00	United	0.00	0.0%	35.0
3.00	2.50	Southwest	0.00	0.0%	40.0
2.00	1.50	Southwest	0.00	0.0%	45.0
1.50	1.00	Southwest	0.00	0.0%	50.0
1.00	0.50	Southwest	0.00	0.0%	55.0
0.50	0.25	Southwest	0.00	0.0%	60.0
0.25	0.10	Southwest	0.00	0.0%	65.0
0.10	0.05	Southwest	0.00	0.0%	70.0
0.05	0.02	Southwest	0.00	0.0%	75.0
0.02	0.01	Southwest	0.00	0.0%	80.0
0.01	0.00	Southwest	0.00	0.0%	85.0
0.00	0.00	Southwest	0.00	0.0%	90.0
0.00	0.00	Southwest	0.00	0.0%	95.0
0.00	0.00	Southwest	0.00	0.0%	100.0

12 Month High	12 Month Low	Stock	Div.	Yld	PE Ratio
100.00	90.00	Boeing	0.00	0.0%	15.0
80.00	70.00	Lockheed	0.00	0.0%	18.0
60.00	50.00	Northrop	0.00	0.0%	20.0
40.00	30.00	Raytheon	0.00	0.0%	22.0
20.00	15.00	Boeing	0.00	0.0%	25.0
10.00	8.00	Boeing	0.00	0.0%	28.0
5.00	4.00	Boeing	0.00	0.0%	30.0
3.00	2.50	Boeing	0.00	0.0%	35.0
2.00	1.50	Boeing	0.00	0.0%	40.0
1.50	1.00	Boeing	0.00	0.0%	45.0
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0.50	0.25	Boeing	0.00	0.0%	55.0
0.25	0.10	Boeing	0.00	0.0%	60.0
0.10	0.05	Boeing	0.00	0.0%	65.0
0.05	0.02	Boeing	0.00	0.0%	70.0
0.02	0.01	Boeing	0.00	0.0%	75.0
0.01	0.00	Boeing	0.00	0.0%	80.0
0.00	0.00	Boeing	0.00	0.0%	85.0
0.00	0.00	Boeing	0.00	0.0%	90.0
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100.00	90.00	Lockheed Martin	0.00	0.0%	18.0
80.00	70.00	Boeing	0.00	0.0%	20.0
60.00	50.00	Northrop Grumman	0.00	0.0%	22.0
40.00	30.00	Raytheon	0.00	0.0%	25.0
20.00	15.00	Boeing	0.00	0.0%	28.0
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0.25	0.10	Boeing	0.00	0.0%	60.0
0.10	0.05	Boeing	0.00	0.0%	65.0
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0.01	0.00	Boeing	0.00	0.0%	80.0
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0.00	0.00	Boeing	0.00	0.0%	95.0
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10.00	8.00	Boeing	0.00	0.0%	30.0
5.00	4.00	Boeing	0.00	0.0%	35.0
3.00	2.50	Boeing	0.00	0.0%	40.0
2.00	1.50	Boeing	0.00	0.0%	45.0
1.50	1.00	Boeing	0.00	0.0%	50.0
1.00	0.50	Boeing	0.00	0.0%	55.0
0.50	0.25	Boeing	0.00	0.0%	60.0
0.25	0.10	Boeing	0.00	0.0%	65.0
0.10	0.05	Boeing	0.00	0.0%	70.0
0.05	0.02	Boeing	0.00	0.0%	75.0
0.02	0.01	Boeing	0.00	0.0%	80.0
0.01	0.00	Boeing	0.00	0.0%	85.0
0.00	0.00	Boeing	0.00	0.0%	90.0
0.00	0.00	Boeing	0.00	0.0%	95.0
0.00	0.00	Boeing	0.00	0.0%	100.0

Notes: Hours are in Eastern Time. Yearly rates and low rates are for the previous 12 months plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 10 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual. Shareholders should consult the latest declaration.

- a - dividend also authorized
- b - stock split of 2-for-1
- c - stock split of 3-for-1
- d - called
- e - new yearly low
- f - dividend declared or paid in preceding 12 months
- g - dividend in Condon times, subject to 15% cut-back
- h - dividend declared after split-up or stock dividend
- i - dividend paid this year, omitted, deferred, or an action taken of latest dividend meeting
- j - dividend declared or paid this year, an accumulation
- k - new low in the past 12 weeks. The high-low range begins with the start of trading
- l - new yearly high
- m - new low in the past 12 weeks. The high-low range begins with the start of trading
- n - new yearly high
- o - dividend declared or paid in preceding 12 months, plus stock dividend
- p - dividend declared or paid in preceding 12 months, plus stock dividend
- q - dividend declared or paid in preceding 12 months, plus stock dividend
- r - dividend declared or paid in preceding 12 months, plus stock dividend
- s - dividend declared or paid in preceding 12 months, plus stock dividend
- t - dividend declared or paid in preceding 12 months, plus stock dividend
- u - dividend declared or paid in preceding 12 months, plus stock dividend
- v - dividend declared or paid in preceding 12 months, plus stock dividend
- w - dividend declared or paid in preceding 12 months, plus stock dividend
- x - dividend declared or paid in preceding 12 months, plus stock dividend
- y - dividend declared or paid in preceding 12 months, plus stock dividend
- z - dividend declared or paid in preceding 12 months, plus stock dividend

TRIB INDEX

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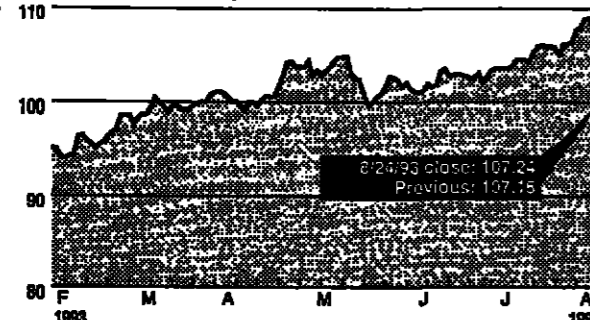
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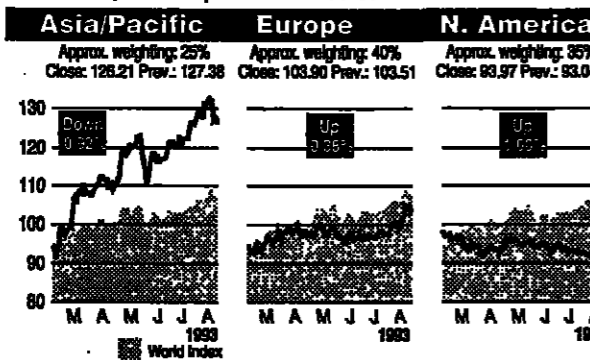


THE TRIB INDEX: 107.24

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1982 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.



Industrial Sectors	1993	1992	% change
Energy	105.98	104.69	+1.23
Utilities	113.64	113.66	-0.02
Finance	117.72	118.18	-0.39
Services	115.23	114.85	+0.33
Capital Goods	102.55	102.67	-0.12
Raw Materials	105.99	105.81	+0.08
Consumer Goods	89.76	89.41	+0.36
Miscellaneous	108.01	108.30	-0.27

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to: Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

MEDIA MARKETS

More Than Firms Needed To Know About Shoppers

By Stuart Elliott
New York Times Service

NEW YORK — The latest in market research: videogenic self-analyzing shoppers. A market-research company is offering advertisers and agencies an unusual way to exploit Americans' fascination with video cameras. Chilton Research Services has begun to sell an innovative survey method called Right There Research, by which people get handheld 8-millimeter video cameras to tape themselves in everyday pursuits like shopping, eating, driving and working.

The hope is for the voyeuristic videotapes to yield more accurate, personal and contextual information about consumer behavior than traditional research methods like focus group interviews.

The only way to get closer, a Chilton promotional brochure boasts, "is to move in."

Right There Research is a kind of a do-it-yourself version of "Candid Camera," the long-running television series that filmed unsuspecting subjects "caught in the act of being themselves." Here, Chilton uses the same idea, but hands the subjects the cameras and asks them to supply the footage.

"Companies struggling to define their markets can have an 'Aha!' experience about who their customers are," said Richard Luker, a research account executive at Chilton in Radnor, Pennsylvania.

Mr. Luker, who was trained as a social psychologist treating adolescents, described the service as the culmination of a decade of efforts — including "about eight years' worth of failure" — trying "to videotape people in their natural settings."

During a recent visit to New York, Mr. Luker and Carrie Hartman, a special projects manager at Chilton, played a greatest-hits videotape of telling, compelling moments from Right There Research projects and tests.

Some footage was hilarious, like a woman narrating a tour of the contents of her refrigerator and freezer.

And some footage was chilling, like a conversation about sex among four teen-agers.

Their provocative dialogue raises a concern that the presence of the camera affects the way participants behave.

To counter that, Mr. Luker said, Chilton recommends projects run at least a week, and as long as three weeks, to produce up to 40 hours of videotape.

"After about 10 hours of tape, you can tell where the hamming is taking place and where people are being serious," he explained. "By then, they get used to the idea of having a camera and get back to being themselves."

CURRENCY & INTEREST RATES

Cross Rates				Aug. 24				Eurocurrency Deposits				Aug. 24			
Country	Rate	Country	Rate	1 month	3 months	6 months	1 year	1 month	3 months	6 months	1 year	1 month	3 months	6 months	1 year
American	1.00	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
British	1.60	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
French	6.55	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
German	1.00	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
Japanese	148.00	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
Swiss	1.48	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
Other Dollar Values															
Canada	0.75	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
Spain	166.64	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
Italy	2036.27	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
UK	1.60	DM	1.36	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
Forward Rates															
30-day	1.00	30-day	1.36	30-day	1.36	30-day	1.36	30-day	1.36	30-day	1.36	30-day	1.36	30-day	1.36
90-day	1.00	90-day	1.36	90-day	1.36	90-day	1.36	90-day	1.36	90-day	1.36	90-day	1.36	90-day	1.36
180-day	1.00	180-day	1.36	180-day	1.36	180-day	1.36	180-day	1.36	180-day	1.36	180-day	1.36	180-day	1.36

Hongkong Bank Moves to Cool Property Fever

By Kevin Murphy
International Herald Tribune

HONG KONG — Taking aim at real estate speculators who have helped send prices soaring, Hongkong & Shanghai Banking Corp. on Tuesday introduced a package of regulations it hopes will stabilize the volatile market for residential property.

The measures by the British colony's largest mortgage-lending concern gained tacit approval from a Hong Kong government worried that the market is overheating. The Hong Kong Monetary Authority suggested that banks do whatever they deem necessary to calm a market that has become integral to its stock market's health.

But short of reducing the amount it will lend to home buyers, analysts said, the

measures by Hongkong Bank and its affiliates, Hang Seng Bank, were unlikely to bring prices back from levels that have more than doubled in less than two years.

"I don't think it will have a significant impact," said Robert Couchman, a partner with Brooke Hillier Parker, property consultant and chartered surveyor. "But it's very difficult for the banks to do anything else."

Fueled by a booming local economy and a flood of funds from China seeking a haven from inflation and currency depreciation, average apartment prices in cramped Hong Kong rose by 13 percent to 15 percent in the first six months of this year.

Prices at the higher end of the market grew at least 20 percent, contributing to prohibitive leaps in costs for companies employing expatriates and shortages of affordable accommodation for those whose

employers do not provide housing allowances.

Hongkong Bank, which called a news conference to announce technical changes

'We are saying we have too much business in this particular category.'
Edwin Lau, Hongkong Bank's assistant general manager for retail banking

in its lending practices that would favor genuine home buyers over speculators, said it had 33 percent more new mortgage accounts in July than it had a year earlier and

that its new mortgages were valued at 60 percent more than last year.

"We are saying we have too much business in this particular category," said Edwin Lau, Hongkong Bank's assistant general manager for retail banking. "If we continue with this sort of lending, there must be a point where we don't feel comfortable."

Further proof of recent price rises and a sharp upturn in property transactions surfaced in statistics released Tuesday by the Hong Kong Monetary Authority, which is monitoring the bubble for signs of bursting.

The authority said home-mortgage lending had grown at an annualized rate of 30.2 percent in July. It was the fastest pace since the end of 1991, when the colony's banks agreed to cool an outbreak of property speculation that had thousands of people

lining up to buy apartments that had not yet been built.

At that time, banks reduced the proportion of a residential property's value that they would lend to a buyer from an industry average of 90 percent to 70 percent, the current norm.

Passages from a recent letter to Hong Kong's banks released by David Carse, the authority's deputy chief executive, indicated the government's concern that the property market was again edging toward disorder.

"The HKMA has not advocated a reduction in the overall 70 percent loan-to-value ratio," Mr. Carse wrote. "However, this does not prevent individual institutions from taking the view that lower ratios would be appropriate for loans in respect of particular types of property."

New Causes Are Cited for U.S. Decline

Bloomberg Business News

WASHINGTON — Two traditional scapegoats — the lower cost of capital and lax antitrust enforcement in Germany and Japan — are no longer valid excuses for America's declining competitive advantage, according to U.S. government researchers.

Moreover, there is no "silver bullet" the United States can use to improve its productivity overnight, researchers from the General Accounting Office said. Government and industry in the United States need to take steps in about a dozen areas to improve the nation's competitiveness, the GAO officials said in a briefing Tuesday.

Competitiveness and productivity growth in the United States began sliding because America was "used to being No. 1," said Barbara Kaler, project manager of the GAO's report on the business environment in the three countries. "Maybe we just got a little bit complacent and comfortable," she said.

However, the United States must look beyond antitrust actions and the cost of capital, the officials said. The Japanese consider coopera-

See TRADE, Page 10

Noncars: Detroit's Big Hit

Sales of Minivans and Pickups Boom

By Doron P. Levin
New York Times Service

DETROIT — The Big Three automakers' sole ray of sunshine these days comes from booming sales of things that aren't really cars: the pickups, minivans and sport-utility vehicles that the U.S. government classifies as trucks for purposes of energy and safety rules.

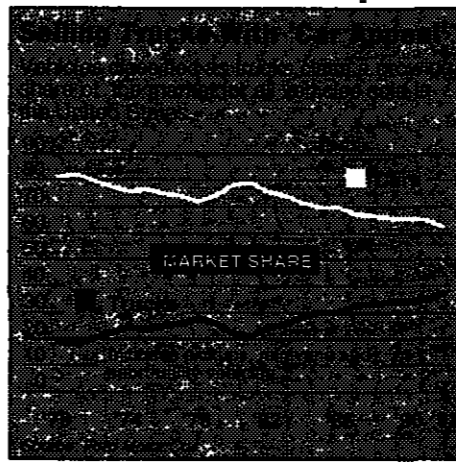
Because trucks make up one of the few automotive segments that the American makers' Japanese rivals have been slow to exploit, and because they are more profitable than cars, Detroit is devoting ever more money and time to developing them and to thinking about the reasons they are so popular.

As a result, the vehicles increasingly come with amenities and in styles aimed at satisfying the tastes and needs of car buyers. For those who want to act rugged, but who in reality want more children than plywood, automakers have added "extended cab" pickup models with classy stereos and rear seats.

Chrysler Corp. last week introduced the Dodge Ram pickup, with a huge ornamental grille to attract those who want the look of a big truck. The Ram features a driver's air bag — not yet required on noncars — and a center console wide enough for a laptop computer.

Or consider the Mercury Villager and Nissan Quest, minivan clones built in Ohio by Ford Motor Co. and engineered to mimic a car's handling features. Styled with softer edges and less metal for women wary of the bulk of earlier noncars, the minivans have been a hit, with about 75,000 sold since they were introduced in the autumn of 1992.

Stoked by the first wave of minivans that replaced station wagons, the proportion of so-called



The New York Times

noncars to cars in the United States has steadily risen since the early 1980s. The vehicles now account for 45 percent of all the Big Three's sales.

Because demand has been so strong, gross profit is about 20 percent higher on noncars than on cars, said Jerry Fall, automotive analyst for Sanford C. Bernstein & Co. in New York.

Models like the Ford Explorer and the Jeep Grand Cherokee, which is made by Chrysler, bring in \$6,000 to \$8,000 in gross profit on each sale, he said, before deducting corporate overhead costs.

The growing specialization by the Big Three in

See TRUCKS, Page 12

Germany Is Cool To French Offer of New Trade Ideas

Reuters

DRESDEN — France said Tuesday that it would present new ideas to help break the deadlock in world trade talks, but Germany seemed cool to any attempt to change the EC position on trade.

Foreign Minister Alain Juppé said France still objected to an agreement reached between the Community and the United States in November 1992 to cut Europe's exports of subsidized farm products.

French opposition to the so-called Blair House deal has been a major factor blocking completion of trade-liberalization talks under the auspices of the General Agreement on Tariffs and Trade.

Prime Minister Edouard Balladur of France plans to present new ideas on the issue when he visits Chancellor Helmut Kohl in Bonn on Thursday, Mr. Juppé said. He gave no details.

Mr. Juppé announced the plan during a visit to Dresden for talks with his German counterpart, Klaus Kinkel, their first since Europe's currency crisis last month led to reports of strained relations between France and Germany.

Both were eager to depict French-German relations as nor-

mal and played down disputes arising from the near-collapse in that crisis of the EC's exchange-rate mechanism. Mr. Balladur at one point seemed to blame the crisis on the relatively high level of German interest rates.

But the officials could not paper over their differences on trade.

Mr. Juppé said France considered it "impossible to accept" the

Many German economists expect a discount-rate cut soon. Page 11.

export reductions called for in the Blair House agreement. He said, "We will make proposals to modify the Blair House agreement or reinterpret it so that the reductions do not come about."

But Mr. Kinkel, reflecting Bonn's concern with wrapping up the Uruguay Round of GATT talks on easing trade rules, said, "We are interested in seeing that the Blair House package is not opened up."

The two said they also had exchanged views on the progress of European unification and on an EC summit meeting in October that is expected to decide some contentious issues such as the location of a European central bank.

Close Euro Disney? 'Insane,' Says Eisner

By Alan Citron
Los Angeles Times Service

BURBANK, California — When Michael D. Eisner, chairman of Walt Disney Co., looks back on 1993, will the launch of the Mighty Ducks hockey team be his fondest memory? It's plausible, given the summer-that-wasn't at the box office and the gathering tide of grimace surrounding Euro Disney.

After playing America's corporate sweetheart for nine years, Mr. Eisner has been second-guessed lately by everyone from pundits to financial analysts, even though the Burbank-based company as a whole remains strongly profitable.

The most troubling question for many is how Disney, the world's premier theme-park operator, could have miscalculated so badly on Euro Disney.

Mr. Eisner hardly seemed anxious to answer that question before. But now he has come out swinging, following reports that the park outside Paris might be closed after a loss of \$83 million in the third quarter. Mr. Eisner called the reports "insane" and insisted that Euro Disney would remain open 365 days a year if he had his way, which one assumes he will. But he also announced that plans for future international expansion had been shelved.

"You don't build the kinds of parks we build for what a shopping mall costs," Mr. Eisner said. "This will pass. But while it's passing we're going to hunker down."

Plans under consideration to buoy Euro Disney in the short term include a cash infusion and a partnership with an outside investor, he said. But he would not say when the park might turn around.

Mr. Eisner contended that people had overreacted to the problems. "It's unbelievable. People approach me as if someone died when they talk about Euro Disney."

"We have a creative smash," he added. "It's as good a piece of entertainment as we've ever delivered anywhere in the world. So I know this is like a movie that starts off slow. You just have to be a believer in better times."

Analysts have estimated that the park's annual loss could hit \$300 million this financial year.

Mr. Eisner said that Euro Disney's status as a separately owned and operated corporation had led to intense scrutiny. "Since it's its own public company, we have to expose every pip and wart," he said. "And that's a problem because it can become a self-fulfilling prophecy."

No Winter Closing

Despite growing losses, Euro Disney said Tuesday it would remain open this winter. The Associated Press reported from Paris.

A company official had denied press reports a week ago that the park might close but said at the time that a temporary, winter closure could not be ruled out.

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سكزامن الأصل

150 من الازل

Page 10 MARKET DIARY

Earnings Optimism Sends Dow Higher

Bloomberg Business News NEW YORK — U.S. stocks climbed to record highs Tuesday amid better-than-expected earnings from the tractor maker Deere...

Computing-guided buy orders added fuel to the rally in the final hour, traders said. The buying came after the Treasury's sale of new two-year notes drew more demand than expected and long-term rates fell toward 16-year lows...

Bundesbank Jitters Give the Dollar a Lift

Compiled by Our Staff From Dispatches NEW YORK — The dollar held onto its recent sharp gains against the yen on Tuesday but eased slightly against the mark after a German inflation statistic made a rate cut by the Bundesbank seem less likely this week...

Some dealers said that a cut in the German discount rate had already been assumed by the markets and that this had been keeping the dollar above 1.68 DM. But the dollar slipped Tuesday to 1.673 DM from 1.6845 DM on Monday after an inflation statistic in the state of Baden-Wuerttemberg exceeded forecasts...

The Dow

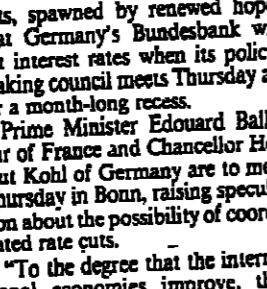


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Table with columns: Vol., High, Low, Last, Chg. for AMEX Most Active stocks.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary.

Table with columns: Vol., High, Low, Last, Chg. for AMEX Diary.

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Table with columns: High, Low, Last, Chg. for Standard & Poor's Indexes.

Table with columns: High, Low, Last, Chg. for NYSE Indexes.

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U.S./AT THE CLOSE

US Appeals Court Ruling on NAFTA

WASHINGTON (NYT) — The U.S. administration asked an appeals court Tuesday to overturn a ruling that American trade officials must prepare an environmental impact statement, a task that would seriously delay and possibly doom the North American Free Trade Agreement...

World Trade a Record \$3.8 Trillion

WASHINGTON (AP) — World trade hit a record last year, with imports rising 7.7 percent over 1991, to \$3.8 trillion, the International Monetary Fund said Tuesday...

North American Results Boost Deere

MOLINE, Illinois (AP) — Boosted by strong results in North America, Deere & Co. reported Tuesday that it had surpassed high third-quarter earnings of \$100.1 million, or \$1.31 per share...

Mid-August Car Sales Rose 10.3%

NEW YORK (Knight-Ridder) — Sales of U.S.-built cars rose 10.3 percent, to 177,157 units, in the middle 10 days of August, a seasonally adjusted annual rate of 7.0 million cars...

Texas Instruments: 4,800 Jobs at Risk

DALLAS (UPI) — Texas Instruments Inc. faced with dwindling defense contracts, may eliminate up to 4,800 jobs in its defense-systems and electronics group by 1997, a spokesman said Tuesday...

TRADE: Study Debunks Old Theories of U.S. Decline

Continued from Page 9 their work three years ago, they were studying the cooperative aspects of Japanese business as a major determinant of surging competitive strength in Japan. Ms. Keller said. Much to their surprise, the investigators could not find any evidence of antitrust violations...

U.S. FUTURES

Table with columns: Open, High, Low, Close, Chg. for U.S. Futures.

U.S. FUTURES

Table with columns: Open, High, Low, Close, Chg. for U.S. Futures.

WORLD STOCK MARKETS

Large table with columns: Agency France Press, Aug. 24, Class Prev., Close, Prev. for various international stock markets including Amsterdam, Helsinki, Hong Kong, Brussels, Johannesburg, Madrid, Milan, London, Frankfurt, Toronto, Sydney, Tokyo, Sao Paulo, Singapore, Zurich, Stockholm, Montreal.

U.S. FUTURES

Table with columns: Open, High, Low, Close, Chg. for U.S. Futures.

U.S. FUTURES

Table with columns: Open, High, Low, Close, Chg. for U.S. Futures.

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Paris Likely To Choose Trichet

Bloomberg Business News

PARIS — The probable appointment of France's Treasury director, Jean-Claude Trichet, as the next governor of the Bank of France will lead to other top-level changes in the Finance Ministry, a ministry spokesman said Tuesday.

Mr. Trichet's nomination to succeed Jacques de Larosière, who is to become the head of the European Bank for Reconstruction and Development, still requires the approval of the French cabinet, which is expected to act on the nomination at its weekly meeting Sept. 15 or Sept. 22, the spokesman said.

Mr. Trichet is the only candidate for the job at present, and French officials have said they were not aware of any other likely candidates. But the government spokesman Nicolas Sarkozy, an aide to Prime Minister Edouard Balladur, declined to discuss the nomination when asked about it in a radio interview Tuesday.

Mr. Trichet, 50, played a leading role in reorganizing Paris's financial markets during the 1980s and established the Paris Club, which has taken the lead in renegotiations of governments' international debt over the past decade.

If his appointment to head France's central bank is confirmed, Christian Noyer, head of Finance Minister Edouard Balladur's private office, would be likely to take his place as Treasury director, the spokesman said.

Mr. Noyer in turn would probably be succeeded by Patrice Vial, currently director-general of Banque Paribas-Stern, he said, adding that all the appointments would be subject to confirmation.

Bundesbank Cut Awaited Discount Rate Too Close to Repo Level

Agence France-Press

FRANKFURT — Many German economists say they are convinced the Bundesbank will cut its discount rate by half a point within half a month, either at its central council meeting Thursday or the following session two weeks later.

Analysts said the impetus for the reduction in the discount rate, which forms the floor of the German money market, was the reduction in recent weeks of the securities-repurchase rate.

Both rates are charged on Bundesbank loans to banks that must post various securities as collateral. The discount rate, at which a limited amount of funds are made available, is at 6.75 percent, while the repo rate has been reduced to 6.6 percent from 7.3 percent in mid-July.

The Bundesbank likes to use the repo rate to guide interest rates between the discount rate and the higher Lombard rate, currently 7.75 percent. The small difference between the repo and discount rates is widely considered as insufficient to allow the Bundesbank maneuvering room in its monetary policy.

By maintaining its discount rate at 6.75 percent at its July 29 meeting, the Bundesbank aggravated the wave of speculation shaking the European Monetary System, which was to lead, on Aug. 2, to a drastic widening of the permitted fluctuation bands within the system's exchange-rate mechanism.

Saudi Riyal Hit by Reserves Report

Compiled by Our Staff From Dispatches

MANAMA — The Saudi riyal eased against the dollar on Tuesday after published reports that Saudi Arabia had run down its financial reserves because of years of unrestrained spending.

King Fahd, speaking on state television, called the reports part of a "smear campaign."

A New York Times dispatch published in the International Herald Tribune said the kingdom had run down its financial reserves because of years of unrestrained spending, huge military purchases and irregular banking practices.

Saudi dealers said the spot Saudi riyal eased to 3.7506 to the dollar on Tuesday, from 3.7502 Monday. Long-dated Saudi riyal interbank deposit rates climbed 1/16 point. Dealers said people were selling riyals for dollars in the interbank market, which usually focuses on trading dollars for riyals.

Since then, the mark has appreciated only moderately against the other European currencies.

Although the virtual dissolution of the ERM has actually taken pressure off the Bundesbank to reduce interest rates, the contracting German economy is another matter.

As the Bundesbank central council meets on Thursday in Frankfurt, Chancellor Helmut Kohl will be welcoming Prime Minister Edouard Balladur of France in Bonn. But Peter Pietsch, economist at Commerzbank, said there was "no longer any real political pressure" on the Bundesbank, but at most a French "wish" to see German interest rates lowered. This would give the Bank of France greater scope to reduce French interest rates without threatening the value of the franc.

Analysts are divided in their interpretation of recent statements by Bundesbank officials. In its August report, the bank acknowledged that, like other European central banks, it had more room for maneuver after the Aug. 2 decision to widen the EMS bands, but it added that the margin must be "used with caution."

On Friday, Helmut Schlesinger, the Bundesbank president, warned against market disorders that might be caused by "excessive expectations" about a reduction of the German central bank's interest rates.

may take time," King Fahd said. Arab diplomatic sources said King Fahd was also angered by foreign media reports that his political reforms fell short of Western-style democracy.

The fall in oil prices that ended the oil boom of the 1970s has put the Saudi budget in deficit since 1983 and forced the kingdom to borrow money beginning in 1988.

The Gulf War cost the kingdom an estimated \$60 billion. (Reuters, AP)

Telekom Readies 30,000 Job Cuts to Boost Productivity

Compiled by Our Staff From Dispatches

BONN — Deutsche Telekom is getting ready to slash staff by 30,000 and to double productivity by the end of the decade, senior officers of the German government-owned telecommunications company said Tuesday.

The company had previously said it wanted to cut 20,000 jobs from its work force of 230,000 by the end of the decade.

Telekom officials said at a news conference in connection with the release of the latest balance sheet that the big job cuts and the planned productivity increase were a prelude to the proposed partial privatization of the company and would enable it to adapt to the liberalization of European markets that is to get under way at the start of 1998.

Telekom fears it will be attacked by competitors on its "excessive rates for long-distance calls, which offset the local call rates," said the sales and marketing manager, Dieter Gallitz.

The chairman, Helmut Rieke, said that the early onset of liberalization of the European telecommunications markets "strengthens competition, and means that we have to make greater efforts in transforming our company."

He said that "Telekom is sailing through troubled waters," even though it made a net profit of 6.45 billion Deutsche marks (\$3.9 billion) in 1992. Of that sum, Telekom had to pay the state 5 billion DM, plus 1.5 billion to the two profitable companies of Deutsche Bundespost.

Telekom does not think it will make any profit this year after sim-

ilar transfers. But it said Tuesday that it had enjoyed a rise in sales in the first half, to around 29 billion DM, and was expecting a 7.4 percent increase for the year as a whole, to 58 billion DM.

Mr. Rieke urged that the company's planned partial privatization go ahead "because we do not have much more time." The three companies of Deutsche Telekom are to be transformed into joint-stock companies, and their capital is to be controlled by a holding company, 51 percent of which will remain in government hands in an initial phase. (Reuters, AFP)

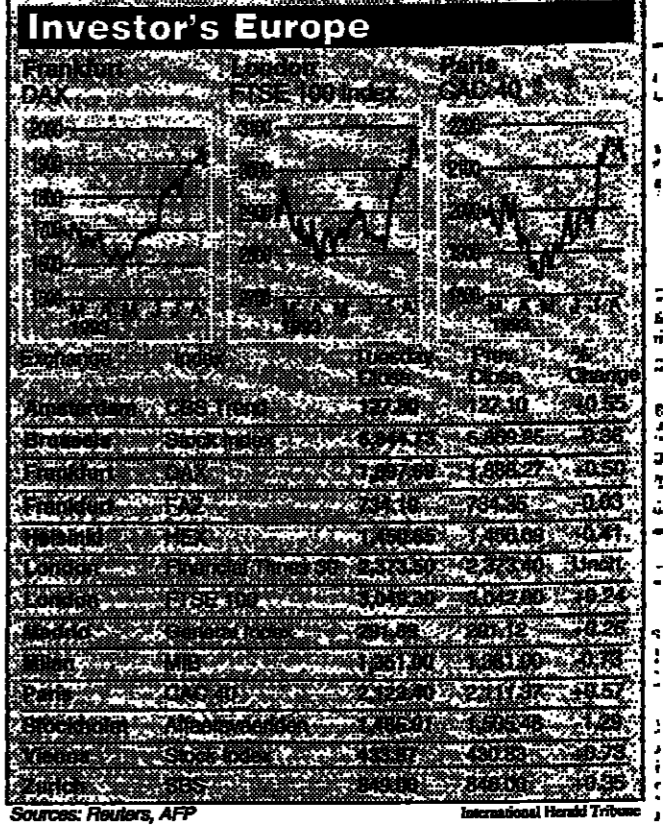
Anti-MS Drug Set for Growth

Bloomberg Business News

BERLIN — Schering AG, the German pharmaceuticals company, said Tuesday it planned to expand production of its multiple-sclerosis drug Betaseron to treat some 200,000 patients a year by 1997.

The price for treating a patient is between \$8,500 and \$10,000 a year.

The drug, the first to be licensed for treating a certain type of the disease, will be introduced in October in the United States, where it will initially be available to about 5,000 out of the estimated 100,000 to 150,000 sufferers of the disease. (AFP, Bloomberg, UPI)



Very briefly:

- Handelsbanken made an operating profit of 837 million kroner (\$104.2 million) in the first half of the year, compared with a loss of 658 million kroner a year earlier. The Swedish bank's management said it would launch a new share issue to raise 2.7 billion kroner.
- Unilever, which includes the Unibank banking group, reported a pretax profit of 483 million kroner (\$66 million) for the first six months of 1993, compared with a year-earlier loss of 1.47 billion kroner.
- ABB Asea Brown Boveri, the Swedish-Swiss heavy-engineering and electrical concern, said it would concentrate its six industrial units into four and restructure into three main geographical regions.
- Alstom Group NV, a Dutch office and business-equipment company, said its net profit had fallen 35 percent to 7.3 million guilders (\$3.6 million) in the first half of 1993, from 11.3 million guilders a year earlier, due to lower foreign sales caused by the strong guilder and recession.
- Consumer prices rose 0.1 percent in August in the German state of Baden-Württemberg from the July level, making a 12-month inflation rate of 4.3 percent, the Regional Statistics Office said.

YEN: Strong Currency, Weak Demand Hit Exporters

Continued from Page 1

impact of the higher yen, negatively affected revenue," said Shigeki Hayashi of Honda's finance division. Measured in yen, sales fell 17.3 percent, to 919.6 billion yen.

• Matsushita Electric Industrial Co., which sells the Panasonic, National, Technics and Quasar brands of electronics goods, saw its pretax profit for the April-June quarter drop 7 percent from the previous year, to 33.7 billion yen. Sales also fell 7 percent, to 1.60 trillion yen.

Weak economies in Japan and Europe hurt sales, as

did the high value of the yen. Air conditioner and refrigerator sales were hurt by the cool weather in Japan.

• TDK Corp., the world's largest maker of magnetic tapes, said its group pretax earnings plunged 42 percent in the latest quarter, to 6.4 billion yen. Sales fell 9.6 percent, to 121 billion yen.

Overall sales of magnetic material parts were down 6.1 percent, at 41 billion yen, while sales of video tapes, cassette tapes and floppy disks dropped 18.9 percent, to 34 billion yen.

JOBS: Mercedes-Benz to Cut Staff by 14,000 in 1994

Continued from Page 1

would reduce its German workforce by 8.5 percent, to 147,740, by the end of 1994.

Mercedes also said its so-called voluntary benefits, which make up a large portion of its workers' annual take-home pay, would be linked more closely to the company's profit.

Mercedes officials said Tuesday's decision had resulted from sluggish sales in the European truck market as well as their conviction that the company's problems were largely structural.

"If we thought this were a passing problem, we

would have put people on short shifts," a spokesman said. "We're saying this is about structure."

German industry's competitiveness has long suffered from high production and labor costs as well as the effects of having a strong currency.

Even as they slash production and staff in Germany, Mercedes and other German automobile and truck manufacturers are busy adding capacity abroad where costs are lower in many terms.

Mercedes has announced plans to build a recreational vehicle in the United States, and Bayerische Motoren Werke AG is building a factory there.

VW Seeks Talks With Opel

Reuters

WOLFSBURG, Germany — Volkswagen AG said Tuesday it was still seeking talks with its rival Opel AG in a bid to settle a bitter dispute over Opel's allegations that senior Volkswagen personnel stole documents.

But Opel repeated that it was not ready for negotiations. Opel, the German subsidiary of General Motors Corp., also said

that it had not decided whether to sue VW for damages. A spokesman said Opel first wanted to see the results of an investigation by public prosecutors.

The daily Die Welt reported Tuesday that John F. Smith Jr., GM's chief executive, did not plan to hold further talks with Ferdinand Piech, the VW chairman, over the legal dispute.

NASDAQ

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table with columns: High, Low, Stock, Div, Yld, PE, 52W High, 52W Low, Last, Change. Contains multiple rows of stock data.

Table with columns: High, Low, Stock, Div, Yld, PE, 52W High, 52W Low, Last, Change. Contains multiple rows of stock data.

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Table with columns: High, Low, Stock, Div, Yld, PE, 52W High, 52W Low, Last, Change. Contains multiple rows of stock data.

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سوق من الاصل

NYSE Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trade elsewhere. Via The Associated Press

Table with columns: High, Low, Open, Close, % Change. Lists various NYSE stocks and their closing prices.

Table with columns: High, Low, Open, Close, % Change. Lists international stocks from various countries.

TRUCKS: Sales of Minivans and Pickups Provide a Bright Spot for Big 3

Continued from Page 9

noncars is consistent with the free-market model of competition. As more competitors enter the industry, companies typically specialize in products they can build and sell advantageously.

"What U.S. automakers have going for them is a better understanding of what consumers want in this type of vehicle," said Gary Saxhouse, a professor of economics at the University of Michigan. He said that competition, as well as tariffs on imported trucks, had "spurred innovation."

popular, they were not very profitable because of the tariffs. The Japanese makers tried to reach higher, but more expensive models like the Toyota Previa minivan and Mitsubishi Montero sport-utility vehicle captured only a sliver of the market. The Toyota T100 full-size pickup, introduced last autumn, has fared better. It is relatively expensive and does not offer a V-8 engine, which many Americans want.

Moreover, buyers of full-size Ford or Chevrolet pickups are loyal to their brand. Roughly 70 percent stick with one or the other, compared with a 40 percent loyalty rate typical for car brands.

America's low gasoline prices clearly have worked in favor of Big Three noncars. Because gasoline costs 75 percent less in the United States than in many other industrialized countries, consumers are not concerned that bigger, heavier noncars are, on average, 25 percent less fuel-efficient than cars.

It is little wonder, then, that GM, which has been shutting down car factories, is adding a third shift at its Oshawa, Ontario, plant that makes extended-cab pickups.

For the last few years, Ford and Chevrolet have sold more noncars bearing their brand names than cars.

Table with columns: High, Low, Open, Close, % Change. Lists international stocks from various countries.

INTERNATIONAL FUNDS

Quotations supplied by funds listed. Not all fund quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

Large table listing various international funds with columns for fund name, share price, and other details.

Large table listing various international funds with columns for fund name, share price, and other details.

Advertisement for China's He and AMEX, featuring a large image of a person and text promoting the services.

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OBSERVER

Degrees of Curiosity

By Russell Baker

NEW YORK — Americans have always been of two minds about curiosity. On one hand, children were warned against it. Curiosity killed the cat, didn't it? On the other hand, curiosity was also at the heart of all science, therefore to be treasured.

Which brings us to Heidi Fleiss and Joe McGinniss, this summer's most popular scandalizers of the bourgeoisie. Their separate and quite different cases shine fresh light on the curious American attitude toward curiosity.

Fleiss traffics in the flesh market; McGinniss, in the great in-lance at least, traffics in Kennedys. Sex and Kennedys: Are there two other subjects about which Americans are more curious?

Fleiss and McGinniss are dealers in industrial-size catnip for the vast human market that gorges on Sunday-night docudramas, grocery tabloids, big-budget movies and gossip-dispensing magazines, both print and electronic.

And what does a curious nation want to know? In the Fleiss matter, it appears, it wants very specific information. It is information that may not bring fresh advances in science, to be sure. Still, it is information as precise in its way as the fact that at sea level water freezes at a temperature of 32 degrees Fahrenheit (zero centigrade).

It wants to know precisely which rich and famous entertainers availed themselves of sexual partners provided by Fleiss's prostitution business.

doubtless there is the usual percentage of rubes who are amazed by the news that sex is a marketable commodity in southern California. Most Americans, however, know what goes on in this corrupt old world, even in southern California. These people hunger for more than trifling disclosures that prostitution thrives in Hollywood. They want to know which of their heroes — it is presumed — the customers were all male — used Fleiss's business and what ruin awaits them.

This is curiosity in its purest form. In contrast, curiosity about the Kennedys is anything but demanding. It scarcely even seems like curiosity anymore. Indeed,

how could it? The Kennedys have been turned into a tale that no longer has any but the loosest grounding in fact or history.

"The Kennedys" — it could be the name of a soap opera. Journalists commonly refer to them now as "mythic," meaning a family that has risen above reality and ascended into fiction. That this genre motif has risen above reality and ascended into fiction, black eyes flickering behind reflector glasses, hair glinting with brilliance in a smoldering cigarette glued to his lips? Shouldn't there be a cocked gun on the hotel bed?

Well, maybe it was ever so, and Homer should now be revered as "the father of media."

Soap opera, novel or myth, it doesn't matter. When we abandon reality we become an audience, and people out to hold an audience don't fret much about getting their history and science right. Audiences want entertainment, not instruction in how to freeze water.

McGinniss's book about Senator Edward Kennedy, "The Last Brother," is much abused by reviewers and historians, partly for not crediting its debt to William Manchester's "The Death of a President," partly for purporting to know the interior of the senator's mind, partly for turning history into fiction.

On the two latter scores the critics are assuming that Americans are genuinely curious about Kennedy, as precisely as it's possible to establish, "what really happened."

But surely they don't. McGinniss's book, making little original effort to find out "what really happened," becomes just another on that mammoth mountain of books, magazine articles, movies, docu-dramas, gossip columns, reports, counterreports, trials, leaks and whispers under which is buried all plausible hope of discovering "what really happened."

This mountain was built to gratify the country's insatiable hunger for Kennedy entertainments. Real curiosity about the Kennedys has probably withered almost completely away. What is left is simple appetite for more and more swell stories about that "mythic" family. That's a lot different from wanting to know precisely who called on Fleiss.

New York Times Service

Is Hollywood Really Ready for John Woo?

By Desson Howe

WASHINGTON — This shy little guy wearing the white polyester shirt and the cheap slacks and the kind of necktie you can pick up for nothing — this is John Woo? This is the creator of ultraviolent, rhapsodic gangster epics? Shouldn't he be more like his movie characters: submerged in the shadows, black eyes flickering behind reflector glasses, hair glinting with brilliance in a smoldering cigarette glued to his lips? Shouldn't there be a cocked gun on the hotel bed?

Actually, Woo, on a promotion tour for his new film "Hard Target," looks less like a gangster than like someone fighting for a seat on a crowded bus. From his appearance, it's hard to believe that this soft-spoken 46-year-old man just directed action star Jean-Claude Van Damme in "Hard Target," a \$20 million thriller for Universal that marks his Hollywood debut.

"Very exciting and, uh, nervous," he says, describing his experience of making the movie and his emotional state over its U.S. opening. (It grossed \$10 million on its first weekend.) His English is understandable but hardly idiomatic — which makes you wonder how he coped with Belgian actor Van Damme, who was required to draw in a thick Louisiana accent.

Woo's style, particularly as exercised in 1989's "The Killers" and last year's "Hard Boiled," has attracted intense praise from such directors as Scorsese and Walter Hill.

He's popular with the critical establishment too. Village Voice critic J. Hoberman described "The Killers" as "Magnificent Obsession" remade by Sam Peckinpah. Woo is a powerful cult figure in art houses and the hipper video stores. Along with Chow Yun Fat (Woo's regular leading man), Jackie Chan, Tsui Hark and other Hong Kong movie personalities, Woo is revered in U.S. Asian communities.

To mainstream audiences, however, he's still John Woo? Presumably, "Hard Target" will change that. Woo admits the project was "not my ideal film," but it will introduce him to America. It will prove he can work in Hollywood, and it will free him up for better things.

Or at least that's what the director, who recently left Hong Kong's uncertain political future to settle in Los Angeles with his family, is banking on.

But first, he'll have to learn how to beat the taste police. The Motion Picture Association of America ratings board slapped "The Killers" with an X rating in 1989, when it was first released (it was later edited down to an R for video). And "Hard Target" went before the board seven times before receiving the coveted R.



John Woo, right, directing Jean-Claude Van Damme in "Hard Target."

For Woo, it was "a terrible experience." This is my first American movie and I didn't want to give people a bad impression. So I did tone it down a little bit and I shot very carefully. But they still thought it was too violent. But they didn't tell me which part, or which shot, was too violent. So we cut it by guessing.

Jacks says he tried to explain the ratings system to Woo in advance, with little success. "John's very passive-aggressive," he says. "He'll sit there and nod and make you think you won your point. And the next thing you know, he's shooting exactly what he wants. I had clashes with John about the budget, the time it would take to shoot and the level of violence." Jacks adds that as soon as he left the set, "John would shoot a whole lot more blood."

Stylistic excess, in violent dollops, is Woo's specialty. The body count in his Hong Kong films easily outnumber those in movies like "Die Hard" by 3 to 1. "Hard Boiled," featuring Chow Yun Fat and Tony Leung, is a masterfully choreographed violence ballet of slow motion, freneticism and bizarre humor — the kind of movie in which characters gun down innocent bystanders just to clear the decks before taking a shot at their opponents. Life isn't just cheap; it's in the way. But if people die at the near hundreds, they do it with the grace of a Baryshnikov. Exit wounds were never this cinematically gorgeous.

Yet Woo, who tells of a poverty-strick-

en, Dickensian childhood in a Hong Kong slum full of prostitutes, gangsters and drug dealers, says he abhors violence. "That's why I like to put a strong character who can use a stronger force to beat down crime and evil. . . . I always want to remind the people what we have lost, and what we have to get back, like dignity, honor and loyalty."

Born Wu Yuesen in China's Guangdong province, Woo was still an infant when his family, fearful of a Communist victory, fled to Hong Kong. But even in the midst of their new-found poverty, Woo's father — who had been a scholar in China — insisted on teaching his son philosophy, Chinese culture and the Bible. In fact, Woo says, he seriously considered becoming a minister — until the movies stole his soul. While his father languished with tuberculosis for a decade in a hospital, his mother took Woo to Gregory Peck and Humphrey Bogart movies. Then Woo began to duck out of school and into the theaters (children were allowed in for free). And when he wasn't watching movies, he was creating them at home.

"I got a piece of glass and put on some color, or drew some image, on it. Then I would pull a blanket over myself, in the dark, and I would use a torch, shining through the glass, to project the image on the wall. For example, I'd draw a cowboy on the glass. Then I moved the glass a little bit, or moved the torch a little bit. The image would move . . . just like in the movies.

PEOPLE

What They're Reading On Martha's Vineyard

Who's reading what on the First Vacation? Bill and Hillary Rodham Clinton went shopping in Martha's Vineyard, Massachusetts, and came back with a batch of books. Among the haul: "Where is Joe Merchant," by Jimmy Buffett, "Saint Maybe," by Anne Tyler, "Catcher in the Rye," J.D. Salinger, "The Book of Laughter and Forgetting," Milan Kundera, "Morraine to Martha," Anne Hale, and "Time and the Art of Living," Robert Grinnin. No one said which ones were for Chelsea.

As Woody Allen's "Manhattan Murder Mystery" failed to break into the top-10 box-office leaders on its first weekend in the United States, the director was in Paris for business and pleasure. He and his girlfriend, Soon-Yi Previn, are vacationing in France, and Allen also took the opportunity to promote the movie, which opens there in October. Allen had been in Ireland visiting his son, Sachel, one of the children at the center of a dispute between Allen and Mia Farrow. Previn's adoptive mother, Farrow, is shooting a film in Ireland.

Princess Diana left Kensington Palace behind on Tuesday for a vacation with her sons, William, 11, and Harry, 8, in the Magic Kingdom of Disney World in Florida.

More he said she said: But Reynolds wife, she caught his estranged wife, Lori Anderson, with other men. In an interview for ABC's "Good Morning America: Evening Edition," Reynolds said he had been very unhappy for the last three years of their four-year marriage. He has disclosed that he has been involved with another woman, Pam Seal, for two years. But he challenged Anderson to a truth-serum test about how many affairs each had while they were married.

The Italian director Franco Zeffirelli and the German director Wim Wenders will head the jurors for the main prizes at the Tokyo International Film Festival next month.

INTERNATIONAL CLASSIFIED
Appears on Pages 3, 6 & 15

WEATHER

Forecast for Thursday through Saturday, as provided by Accu-Weather.

Table with weather forecasts for Europe, Asia, Africa, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

Table with weather forecasts for North America, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

Table with weather forecasts for Europe, Asia, Africa, and Latin America. Columns include location, today's high/low, and tomorrow's high/low.

CROSSWORD

ACROSS: 1 Risky venture, 2 Diamond surface, 3 Melodrama role, 4 Statute with limitations, 5 People loafing along, 6 Melodrama role, 7 Actor or caddy, 8 Bacteriologist, 9 Dubois, 10 Choose, 11 Broadcast, 12 Vehicle for a melodrama, 13 King of Norway, 1957-61, 14 Yuletide trip, 15 Daredevil, 16 Krievail, 17 weather fern, nor. nat., 18 Do aqueducts, 19 Like some Ryan games, 20 Lb. or tn., 21 Whaler's cask, 22 Collections of quotes, 23 Painter (chug), 24 — ditto, 25 Riello right, 26 Relator lazily, 27 — Paul, 28 Kruger, famed Boer.

Crossword puzzle grid with clues and a solution to a puzzle of Aug. 24. The solution is a 10x10 grid of letters.

If you're going to travel all over the map, here's how to call from almost any point on it.



Table titled 'AT&T Access Numbers' listing international phone numbers for various countries like Andorra, Armenia, Austria, Bahrain, Belgium, Bulgaria, Cape Verde Islands, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kenya, Kuwait, Lebanon, Lithuania, Luxembourg, Malaysia, Maldives, Mexico, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russia, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Switzerland, Taiwan, Thailand, Turkey, United Arab Emirates, United Kingdom, USA, USSR, and Yugoslavia.

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